

Arafura Shipping Limited
(Company No: 971548)

Directors' Report and
Financial Statements
for the year ended 31 December 2008

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Report of the directors

The directors present herewith their annual report and the audited financial statements of Arafura Shipping Limited ("the Company") for the year ended 31 December 2008.

Results of the year

The income statement for the year is set out on page 7.

Dividends

The directors do not recommend the payment of dividend for the year (2007: nil).

Principal activities of the Company

The principal activity of the Company is to provide assets for use in the container transport shipping industry.

Review of the business

The trading performance during the year was as expected.

Directors

The directors who held office during the year and up to the date of this report were as follows:

P Shaw (resigned 27th February 2009)
J Kjaedegaard (resigned 13th February 2009)
B O'Brien (resigned 27th February 2009)
J. Burridge (appointed 27th February 2009)
J. Kilby (appointed 27th February 2009)

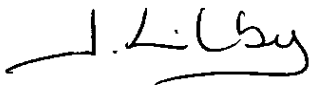
Creditor payment policy

It is not the Company's policy to follow any published code or standard on payment practice in respect of its suppliers. The Company has a policy to pay all suppliers for approved purchases according to credit terms agreed with individual suppliers.

Auditors

In accordance with Section 385A of the Companies Act 1985 KPMG LLP will continue in office as auditor of the Company.

By order of the board



J Kilby

Date: 25th June 2009

Secretary

Registered Office

Maersk House
Braham Street
London E1 8EP

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable laws.

The financial statements are required by law and International Financial Reporting Standards as adopted by the EU to present fairly the financial position and the performance of the Company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he might have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors' report to the members of Arafura Shipping Limited

We have audited the financial statements of Arafura Shipping Limited for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the cash flow statement, the statement of changes in equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Independent auditors' report to the members of Arafura Shipping Limited (continued)

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31st December 2008 and of the profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements



KPMG LLP

Chartered Accountants and Registered Auditor

26 June 2009

8 Salisbury Square
London
EC4Y 8BB

Income statement
for the year ended 31 December 2008
(Expressed in United States dollars)

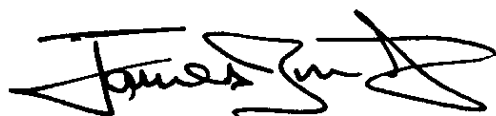
	<i>Note</i>	<i>2008</i> \$000	<i>2007</i> \$000
Revenue		-	7,248
Cost of sales		<u>(115)</u>	<u>(6,586)</u>
Gross profit		(115)	662
Administrative expenses		<u>-</u>	<u>-</u>
Operating profit/(loss)		(115)	662
Other operating income	4	<u>282</u>	<u>18,749</u>
Profit before taxation	2	167	19,411
Tax credit/(expense)	5	<u>470</u>	<u>(840)</u>
Profit for the year		<u>637</u> =====	<u>18,571</u> =====
Attributable to shareholders of the company		<u>637</u> =====	<u>18,571</u> =====

The notes on pages 11 to 20 form part of these financial statements.

Balance sheet
as at 31 December 2008
(Expressed in United States dollars)

	Note	2008 \$000	2007 \$000
Assets			
Property, plant and equipment	6	-	273
Investments in subsidiaries	7	<u>1,250</u>	<u>1,250</u>
Total non-current assets		<u>1,250</u>	<u>1,523</u>
Trade and other receivables	8	<u>51,876</u>	<u>51,531</u>
Total current assets		<u>51,876</u>	<u>51,531</u>
Total assets		<u><u>53,126</u></u>	<u><u>53,054</u></u>
Equity			
Called up share capital	11	96	96
Share premium account	12	849	849
Retained earnings	12	<u>50,561</u>	<u>49,924</u>
Total equity		<u><u>51,506</u></u>	<u><u>50,869</u></u>
Liabilities			
Trade and other payables	9	370	935
Loans from subsidiaries	10	<u>1,250</u>	<u>1,250</u>
Total current liabilities		<u>1,620</u>	<u>2,185</u>
Total equity and liabilities		<u><u>53,126</u></u>	<u><u>53,054</u></u>

These financial statements were approved by the Board of Directors on 25 June 2009 and were signed on its behalf by



James Burridge, Director.

The notes on pages 11 to 19 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2008
(Expressed in United States dollars)

	<i>Non distributable Share capital \$000</i>	<i>Share premium \$000</i>	<i>Distributable Retained earnings \$000</i>	<i>Total \$000</i>
At 1 January 2008	96	849	49,924	50,869
Profit for the year	<u>-</u>	<u>-</u>	<u>637</u>	<u>637</u>
At 31 December 2008	<u>96</u>	<u>849</u>	<u>50,561</u>	<u>51,506</u>
At 1 January 2007	96	849	31,353	32,298
Profit for the year	<u>-</u>	<u>-</u>	<u>18,571</u>	<u>18,571</u>
At 31 December 2007	<u>96</u>	<u>849</u>	<u>49,924</u>	<u>50,869</u>

Cash flow statement
for the year ended 31 December 2008
(Expressed in United States dollars)

	2008 \$000	2007 \$000
Profit before taxation	637	19,411
Adjustments for:		
Depreciation charges	-	3,509
Profit on sale of property, plant and equipment	(282)	(18,749)
Property, plant and equipment written off	<u>-</u>	<u>624</u>
Operating profit before changes in working capital	355	4,795
(Increase) in trade and other receivables	(345)	(43,274)
Decrease in trade and other payables	(547)	(771)
Decrease in deferred income	<u>-</u>	<u>(283)</u>
Cash used in operations	(537)	(39,533)
Tax (paid)/repaid	<u>(18)</u>	<u>10</u>
Net cash used in operating activities	(555)	(39,523)
	<u>=====</u>	<u>=====</u>
Cash flow from investing activities		
Proceeds of property, plant and equipment	<u>555</u>	<u>39,516</u>
Net cash generated from investing activities	555	39,516
	<u>=====</u>	<u>=====</u>
Decrease in cash and cash equivalents	-	(7)
Cash and cash equivalents at 1 January	<u>-</u>	<u>7</u>
Cash and cash equivalents at 31 December	<u>-</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>
Cash at bank and in hand	<u>-</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

Notes to the financial statements

(Expressed in United States dollars)

Arafura Shipping Limited (the "Company") is a Company incorporated in the UK. The Company's registered office and principal place of business is Maersk House, Braham Street, London E1 8EP.

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs").

The financial statements were approved by the Board of Directors on

These financial statements are separate financial statements. The Company is exempt from preparing consolidated financial statements as its ultimate parent undertaking, A P Moller Maersk A/S (a company incorporated in Denmark), prepares and publishes consolidated financial statements that comply with IFRSs. These accounts can be obtained from A P Moller Maersk A/S, Esplanaden 50, DK-1098, Copenhagen.

The Company's intermediate holding company, the Maersk Company Limited also prepares consolidated financial statements under IFRS. These accounts can be obtained from Company House, Crown Way, Maindy, Cardiff.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

(b) Revenue

Revenue represents the amounts, excluding VAT and similar sales taxes, invoiced to customers in respect of shipping and transport operations completed during the accounting period.

1 Accounting policies (continued)

(c) Foreign currencies

Transactions denominated in foreign currencies are translated to the functional currency of the Company at the exchange rate ruling on the date on which each transaction occurs.

At each balance sheet date monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at that date. All exchange differences arising from these transactions are included in the income statement.

(d) Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest method less impairment losses. The directors' believe that this gives a close approximation to fair value.

(e) Property, plant and equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(i) Depreciation

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their expected lives as follows:

Container ships	20 years
Containers and trailers	10 - 15 years

(ii) Ship dry dock expenditure

An element of the cost of an acquired ship is attributed at acquisition to its service potential reflecting its maintenance condition. This cost is amortised over the period to the next dry docking or the remaining life of the ship. Costs incurred on subsequent dry docking of ships are capitalised within property, plant and equipment and amortised over the period to the next dry docking.

(f) Taxation

The charge for taxation is based on the net tonnage of the vessels operated.

(g) Investments in subsidiaries

The investments in subsidiaries are stated at cost less impairment losses.

1 Accounting policies (continued)

(1) Impairment

The carrying amounts of the Company's assets, other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Profit before taxation

The profit before taxation is stated after charging:

	<i>2008</i>	<i>2007</i>
	<i>\$000</i>	<i>\$000</i>
Depreciation	-	3,509
	=====	=====

Audit fees are borne by the Company's parent company and are estimated at £ 1,397 for the Company (2007 £ 8,000).

3 Remuneration of directors and employees

No remuneration was paid or is payable for duties performed (2007: \$Nil). The company had no employees in the current or preceding year

4 Other operating income/(expenses)

	<i>2008</i>	<i>2007</i>
	<i>\$000</i>	<i>\$000</i>
Profit on sale of containers	282	-
Profit on sale of ship	-	18,749
	=====	=====
	282	18,749
	=====	=====

5 Tax expense

(a) *Analysis of charge for the year*

	2008 \$000	2007 \$000
UK Corporation tax charge		
Current year charge	-	(840)
Adjustments in respect of prior periods	<u>470</u>	<u>-</u>
Tax credit/(charge)	<u>470</u>	<u>(840)</u>

The Company has entered into the tonnage tax regime with effect from 1 January 2001.

(b) *Factors affecting the tax charge for the year*

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 \$000	2007 \$000
Profit/(loss) before tax	<u>637</u>	<u>19,411</u>
Tax at 28.5% (2007: 30.0%)	(182)	(5,823)
Effects of:		
Tonnage tax charge	-	(11)
Corporation tax overprovided in prior years	470	-
Income not taxable for tax purposes	<u>182</u>	<u>4,994</u>
Current year credit/(charge)	<u>470</u>	<u>(840)</u>

6 Property, plant and equipment

	<i>Ships owned \$000</i>	<i>Plant and equipment owned \$000</i>	<i>Total \$000</i>
Cost:			
At 1 January 2008	-	2,782	2,782
Addition	-	-	-
Disposals	-	2,782	2,782
Impairment	-	-	-
	-----	-----	-----
At 31 December 2008	-	-	-
	-----	-----	-----
Accumulated Depreciation:			
At 1 January 2008	-	2,509	2,509
Charge for the year	-	-	-
Disposals	-	(2,509)	(2,509)
Impairment	-	-	-
	-----	-----	-----
At 31 December 2008	-	-	-
	-----	-----	-----
Net book value:			
At 31 December 2008	-	-	-
	=====	=====	=====

	<i>Ships owned \$000</i>	<i>Plant and equipment owned \$000</i>	<i>Total \$000</i>
Cost:			
At 1 January 2007	58,794	8,996	67,790
Addition	-	-	-
Disposals	(58,794)	-	(58,794)
Impairment	-	(6,214)	(6,214)
	-----	-----	-----
At 31 December 2007	-	2,782	2,782
	-----	-----	-----
Accumulated Depreciation:			
At 1 January 2007	34,525	8,091	42,616
Charge for the year	3,502	7	3,509
Disposals	(38,027)	-	(38,027)
Impairment	-	(5,589)	(5,589)
	-----	-----	-----
At 31 December 2007	-	2,509	2,509
	-----	-----	-----
Net book value:			
At 31 December 2007	-	273	273
	=====	=====	=====

7 Investments in subsidiaries

	2008 \$000	2007 \$000
At 31 December	1,250	1,250
	=====	=====

The following information is given in respect of all subsidiary undertakings at 31 December 2008:

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class of issued capital</i>	<i>Proportion applicable to the Company</i>
Arafura Shipping (Aust) Limited	England & Wales	Dormant	Ordinary £1 each Deferred £1 each	100.0% 96.7%
Eastern & Australian Steamship Company Limited	England & Wales	Dormant	Ordinary £1 each	100.0%

8 Trade and other receivables

	2008 \$000	2007 \$000
Trade debtors	-	-
Amounts owing from other group companies	51,876	51,531
Prepayments and accrued income	-	-
	=====	=====
	51,876	51,531
	=====	=====

9 Trade and other payables

	2008 \$000	2007 \$000
Trade creditors and accruals	-	77
UK Corporation tax payable	370	858
	=====	=====
	370	935
	=====	=====

10 Loans from subsidiaries

All loans are unsecured and interest free, and are repayable on demand.

11 Share capital

	<i>Authorised</i> £000	<i>Allotted, called up and fully paid</i> £000	\$000
<i>At 31 December 2008 and 31 December 2007</i>			
Ordinary £1 shares	44	-	-
Ordinary "A" shares of £1 each	54	54	93
Ordinary "B" shares of £1 each	<u>2</u>	<u>2</u>	<u>3</u>
	100	56	96
	=====	=====	=====

The only differences between the ordinary "A" and "B" shares relate to dividends and rights in winding up the Company. "B" class shareholders can only participate in:

- i) dividends once each of the "A" class shareholders has received a dividend of UK£500.
- ii) any surplus on a winding up of the Company once the "A" class shareholders had each received nominal value plus UK£1,000.

Thereafter and in all other respects, the two classes of shares are *pari passu*.

12 Capital and reserves

	<i>Share capital</i> \$000	<i>Share premium</i> \$000	<i>Retained earnings</i> \$000	<i>Total</i> \$000
At 1 January 2008	96	849	49,924	50,869
Profit for the year	<u>-</u>	<u>-</u>	<u>637</u>	<u>637</u>
At 31 December 2008	<u>96</u>	<u>849</u>	<u>50,561</u>	<u>51,506</u>
	=====	=====	=====	=====
At 1 January 2007	96	849	31,353	32,298
Profit for the year	<u>-</u>	<u>-</u>	<u>18,571</u>	<u>18,571</u>
At 31 December 2007	<u>96</u>	<u>849</u>	<u>49,924</u>	<u>50,869</u>
	=====	=====	=====	=====

There is no current or deferred tax relating to items that are charged or credited to equity.

13 Related party transactions

The Company has a related party relationship with A P Moller Maersk A/S (its ultimate holding company) and its subsidiaries.

Transactions with related parties are priced on an arm's lengths basis and are as follows:

	2008 \$000	2007 \$000
Charges for commission and administration expenses	-	2,670
Intercompany balances:		
Amounts owed from	51,876 =====	51,531 =====

14 Financial instruments

Exposure to credit and liquidity risks arises in the normal course of the Company's business. These risks are limited by the Company's financial management policies and practices described below.

(a) Credit risk

The Company's credit risk is primarily attributable to trade debtors. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments if any, in the balance sheet.

(b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

15 Ultimate parent

The Company's parent undertaking is Maersk Line UK Limited which is incorporated in Great Britain and registered in England and Wales.

The Company's ultimate holding company is A P Møller Mærsk A/S, a company incorporated in Denmark. The financial statements of A P Møller Mærsk A/S can be obtained from A P Møller Mærsk A/S, Esplanaden 50, DK-1098, Copenhagen.