

August 5, 2008

“K” Line to Invest in Titan Quanzhou Shipyard Ltd.

Kawasaki Kisen Kaisha, Ltd. (“K” Line) is pleased to announce that an agreement has been reached with the holding company of Titan Quanzhou Shipyard Ltd. (TQSL), a shipyard under construction in a suburb of Quanzhou City, Fujian Province, PRC by Titan Petrochemicals Group Ltd. (HK Exchange: 1192)*, for “K Line to become a Primary Strategic Partner in ship repair business by purchasing convertible securities (equal to 5% of the outstanding number of shares).

TQSL is located in a suburb of Quanzhou City, Fujian Province, occupying total area of 110ha with 3,600m length of coastline. Upon full completion in 2010, it will be the largest modern-designed repair dock in China with capacity of 250 vessels per year, equipped with four ultra-large dry docks (two of which can accommodate 300,000dwt class VLCC or VLOC), two slipways, ten repair berths, painting workshop and mechanical-electrical workshop. TQSL project commenced in 2004, aiming to be a shipyard based on repair, newbuildings and offshore engineering, and since operation in 2006 with its first newbuilding, it has delivered four 7,000-9,000dwt class bunker-tankers. Repair operations will commence in mid-2009 at repair berths as floating dock and will be in full operation from 2010. “K” Line secures certain repair slots at TQSL as a strategic alliance partner by entering into a Strategic Alliance Agreement. This agreement means that “K” Line has secured repair slots for its increasing fleet, especially for large-sized vessels. TQSL, with its most desirable location near Quanzhou, Fujian Province enjoying warm-weather throughout the year, will accommodate all types of vessels, and will keep an extremely high utilization ratio.

“K” Line positions this Strategic Alliance with TQSL as one of the measures to support growth of its overall fleet up to 900 vessels, as set forth in its mid-term management plan, “K” LINE Vision 100, announced in April this year. With “K” Line obtaining core repair slots at TQSL, in addition to the seafarer training center in the Philippines opened in February this year, the company will be even better positioned to pursue enforcement of its safety policy and stable quality of ship management.

* Titan Petrochemicals Group Ltd. is a total service provider of petroleum-related products, having its head office and being listed in Hong Kong

For further details, please contact:

Kawasaki Kisen Kaisha, Ltd. (“K” Line)
Tsuyoshi Yamauchi
General Manager, Corporate Planning Group
Tel: +81-3-3595-5032 Fax: +81-3-3595-5512

TQSL Layout Plan

TQSL Facility Table

	Ship Repair	Ship Building	Offshore Engineering
Area		1,100,000m ²	
Coastline		3,600m	
Docks & Facilities	<u>Dry dock</u>	<u>Slipway</u>	Two berths, 350m each
	No.1 380m x 80m x 14.4m	No.1 180m x 48m	Lifting cranes
	No.2 420m x 68m x 14.4m	No.2 275m x 48m	
	No.3 280m x 46m x 12.8m		
	No.4 280m x 46m x 12.8m		
	Lifting Cranes	<u>Gantry Cranes</u>	
	In total 25 cranes, maximum lifting capacity ~120T	160T x 1; 250T x 1	
	Workshops	Workshops	
	Hull workshop	Hull workshop x 2	
	Integrated Mechanical/Electrical/Outfitting workshop		
Blasting and Painting workshop			
<u>Berths</u>			
In total 10 berths			