



MEDIA RELEASE

Singapore, 13 September 2011

Tanker Pacific Management (Singapore) Pte Ltd ("TPM") has reviewed the Federal Register notice issued today by the US State Department clarifying the sanctions first announced in relation to TPM on 24 May 2011 under the Comprehensive Iran Sanctions Accountability and Divestment Act.

Those sanctions related to TPM's role in managing the 2010 sale of the tanker *Raffles Park* to Coral Light Asset Corp (Panama), an entity nominated by the buyers, Crystal Shipping FZE and Pacific Shipping of the UAE.

The diligence carried out by TPM at the time of the sale included checking the US Department of the Treasury's list of Specially Designated Nationals and Blocked Persons. The buyers did not appear on the list, and our enquiries uncovered no evidence that the buyers had any links to Iran. We were later informed by the US Government that the buyers acted as front companies for the Islamic Republic of Iran Shipping Lines.

We have since engaged outside counsel who have conducted an extensive compliance review of this transaction. This review confirmed that TPM was misled by the buyers. Had we known that the buyers were acting on behalf of Iranian interests, this sale would never have gone ahead.

TPM is a well-managed company with a strong reputation in the shipping industry. We take our compliance obligations under the law extremely seriously, including our responsibility to comply with all applicable sanctions requirements.

To address this issue and improve our internal compliance procedures, TPM has moved swiftly to implement the enhanced due diligence measures it announced on 28 May 2011, which include:

- **comprehensive risk assessment:** we will continue our ongoing comprehensive risk assessment to identify and mitigate areas of potential risk;
- **enhanced counterparty screening procedures:** we have instituted new procedures including additional pre-transaction due diligence and independent third party screening to assess the profile of potential counterparties more effectively;
- **compliance manager:** we have recruited a dedicated compliance manager;
- **mandatory training programmes:** we are putting in place robust training programmes for all relevant personnel;
- **regular compliance procedure reviews:** we will conduct ongoing compliance reviews to update our procedures, reflecting changing business operations and evolving legal requirements.

These comprehensive measures demonstrate how seriously TPM takes its responsibility to maintain full, ongoing compliance with applicable laws.

Our legal counsel in Washington continues to work constructively with the U.S. State Department with a goal of being removed from its sanction list.

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