



STEAMSHIPS
TRADING COMPANY LIMITED

16 February 2015

**To: ASX/POMSOX Announcement
Closure of East West Transport Highlands Highway Operations**

Steamships Trading Company Limited (SST) advises the closure of its East West Transport division's Highlands Highway Operations. This sad decision follows a lengthy review of the operation which has served the region for many years, however, since the end of the Exxon-Mobil PNG LNG development there is a glut of capacity, which when combined with the continuing deplorable state of the highway and insecurity leaves an unsustainable operation.

To this extent the accounts of the group will reflect a fleet and inventory impairment together with redundancy costs of PGK 15.7 million (post tax). The board and management recognises the fact that this closure affects many long term employees and sincerely thanks all those colleagues for their valuable contribution and wishes them well for the future.

The residual East West Transport business will during the course of the year be amalgamated with that of Steamships' Joint Venture Stevedoring business to form an overall land based logistics division. This parallels a similar amalgamation of the group's marine divisions of Consort Express Lines Limited and Steamships Coastal Shipping. Both combinations target efficiency alignment and synergy cost savings in a competitive economic environment.

**S.C. Pelling
Company Secretary
Steamships Trading Company Limited**