d'Amico
INTERNATIONAL SHIPPING S.A.

2008 ANNUAL REPORT

d'Amico International Shipping S.A.

Registered office
at 25C Boulevard Royal, Luxembourg
Share Capital US$ 149,949,907
as at 31 December 2008

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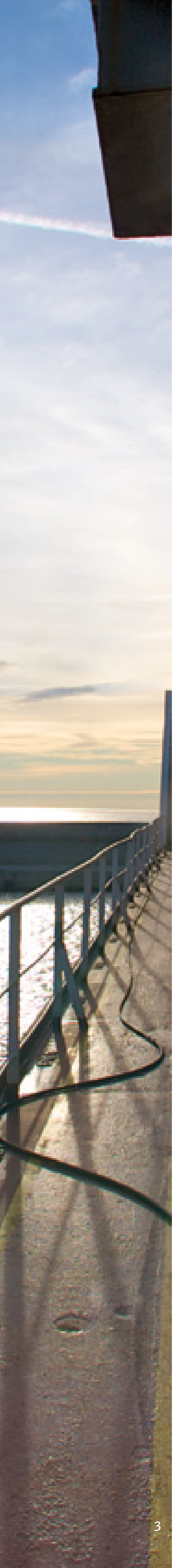
Year ended 31 December 2008



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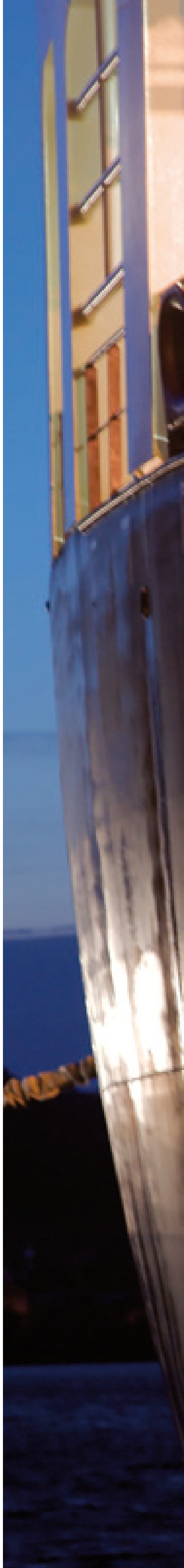
Letter to Shareholders



Dear Shareholders,

2008 has been a challenging and turmoiled year for our industry overall, due to a sentiment for trade worldwide relatively fragile and to the weak macro-economic conditions, becoming more critical throughout the year. But even assuming such a critical scenario, in 2008 d'Amico International Shipping reported very strong financial results, together with a significant empowerment of our fleet and of our strategic business relationships.

We performed better than originally expected, more than achieving all our economic-financial targets in 2008: a Net Profit for the year of US$ 155 million, including the gain on the vessels disposal of US$ 106 million, an operating cash flow for the year of the relevant amount of US$ 103 million, while the Net debt remained at the very low level of US$ 142 million.

During the year, considering that the sale and purchase of vessels is an integral part of our business model, we took advantage of the high prices achieved for second hand vessels, selling fours vessels, previously bought through purchase options exercised in advance, realizing a profit of about US$ 106 million. We also increased our overall fleet by exercising four purchase options in advance, together with six additional time chartered-in vessels and one time chartered-in contract renewed during the year.

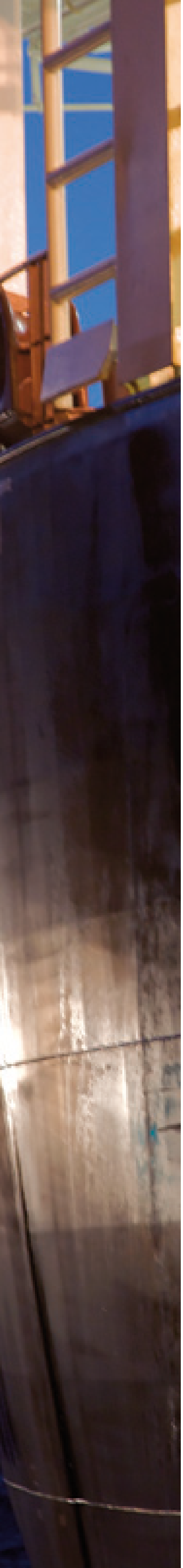
In considerations of the results achieved, we have decided to propose to the Shareholders' Meeting the distribution of US$ 20.0 million of dividends, 40% of the profit excluding vessel disposals.

As in past, we will pursue in 2009 our strategy of focus on growth and consolidation in a fragmented industry, concentrating on specialized and developing markets such as palm oils, vegetable oils and easy chemicals and on key partnerships, to increase tonnage and flexibility.

We firmly believe that, notwithstanding the current financial turmoil affecting the vessel values, d'Amico International Shipping continues to show a very significant underlying value, with significant financial resources available through its revolving facilities and credit lines. In addition, a relevant portion of the revenue has been already secured and the expected fixed contract coverage percentage for 2009 should be close to 60% on average.

The worldwide economic overall outlook remains cautious, but our Company, built on a foundation of sustained profitability, is very well positioned to manage its business successfully continuing to sustain the growth and to pursue its strategy, enhancing the shareholders' value.

Paolo d'Amico
Chairman of the Board
of Directors



Board of Directors and Control Bodies

Board of Directors

Chairman

Paolo d'Amico[1]

Chief Executive Officer

Marco Fiori[1]

Directors

Cesare d'Amico[1]
Massimo Castrogiovanni[2]
Stas Andrzej Jozwiak[3]
Gianni Nunziante

Independent Auditors

Moore Stephens S.à.r.l., Luxembourg

Statutory Auditors/Commissaire Aux Comptes

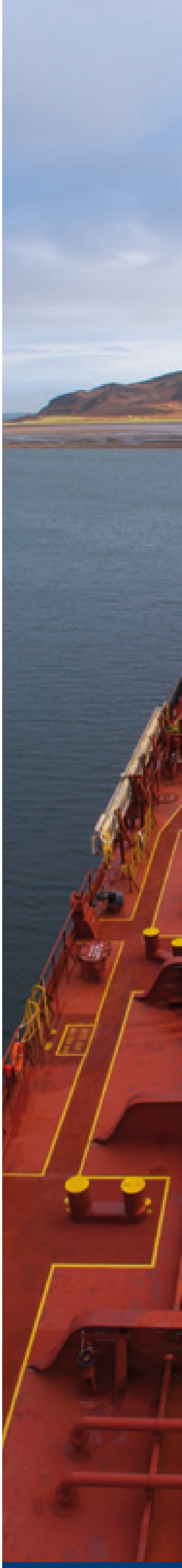
Lux-Fiduciaire S.à.r.l., Luxembourg

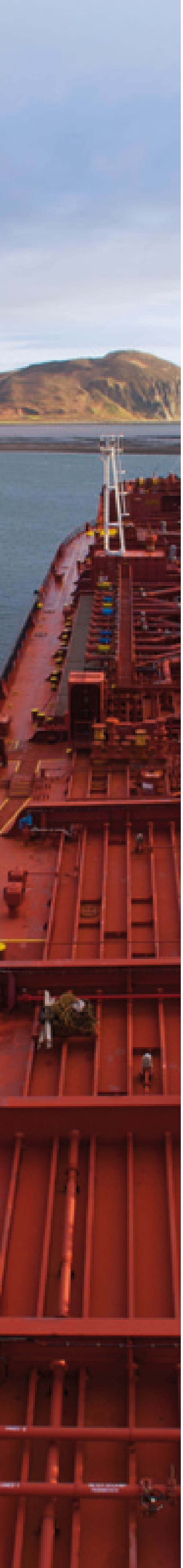
[1] Member of the Executive Committee
[2] Independent Director
[3] Lead Independent Director

Key Figures

Financials

(US$ Thousand)	2008	2007
Time charter equivalent (TCE) earnings	251,616	251,685
Gross operating profit / EBITDA	208,417	106,045
Operating profit / EBIT	171,727	76,539
Net profit	155,012	75,081
Excluding result on disposal of vessels		
Gross operating profit / EBITDA	102,796	106,045
as % of margin on TCE	*40.9%*	*42.1%*
Operating profit / EBIT	66,106	76,539
as % of margin on TCE	*26.3%*	*30.4%*
Net profit	49,391	75,081
as % of margin on TCE	*19.6%*	*29.8%*
Earnings per share (US$)	1.034	0.501
Operating cash flow	102,682	97,887
Gross capital expenditure (CapEx)	247,743	84,459
Total assets	**724,154**	**500,699**
Net financial indebtedness	142,235	157,911
Shareholders' equity	387,839	282,689





Other Operating Measures

	2008	2007
Daily operating measures		
TCE earnings per employment day (US$)[1]	21,570	21,490
Fleet development		
Total vessel equivalent	36.1	35.2
Owned	*16.6*	*13.5*
Chartered	*14.8*	*18.7*
Chartered through pools	*4.7*	*3.1*
Vessel equivalent %		
Owned	*45.9%*	*38.2%*
Chartered	*41.0%*	*53.1%*
Chartered through pools	*13.1%*	*8.7%*
Off-hire days / available vessel days[2] (%)	**2.0%**	**2.2%**
Fixed rate contract / available vessel days[3] (coverage %)	**52.2%**	**51.7%**

[1] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts, divided by the number of on-hire days, net of commissions charged by external brokers and commercial managers. Calculations exclude vessels chartered through the pools, since distributions paid on these vessels are net of charter expenses, and would therefore require pro-forma adjustments to make it comparable to the remaining vessels

[2] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days, which is defined as the number of vessel days between delivery and redelivery for the period being considered

[3] Fixed rate contract days/available vessel days (coverage ratio): this figure represents how many vessel days were employed on time charter contracts and COAs, inclusive of off-hire days, divided by the number of available vessel days, defined as the number of days between delivery and redelivery for all of our vessels, for the fiscal period being considered

Report on Operations

d'Amico International Shipping Group

d'Amico International Shipping S.A. (DIS, the Group or d'Amico International Shipping) is an international marine transportation group, part of the d'Amico Group that traces its origins to 1936. d'Amico International Shipping operates, through its fully owned subsidiary d'Amico Tankers Limited (Ireland), a young fleet, with an average age of approximately 4.2 years, compared to an average in the product tanker industry of 9.7 years, according to Clarkson. All of the Group's vessels are double-hulled, and are primarily engaged in the transportation of refined petroleum products, providing worldwide shipping services to major oil companies and trading houses, such as ExxonMobil, Total, Shell, Glencore and Vitol. All the vessels are built in accordance with international industry standards and are compliant with IMO (International Maritime Organization) regulations and MARPOL (the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978) as well as other international standards. In addition, DIS is in compliance with the stringent requirements of major oil and energy-related companies. Based on revisions to Annexes I and II to MARPOL, adopted by the IMO cargos, such as palm oil, vegetable oil, and a range of other chemicals can only be transported by vessels that meet the requirements stated in these revised annexes (IMO Classed). Approximately 76% of DIS's fleet as at 31 December 2008 was IMO Classed, expanding the range of products the Group can transport.

As at 31 December 2008, d'Amico International Shipping directly employed eight MRs ('Medium Range') and three handysize vessels, mainly through long-term time charter contracts with Exxon, Total, Glencore. The Group employs a significant portion of its controlled vessels through three partnership arrangements. These commercial partnerships enable DIS to deploy, collectively with the partners, a fleet of vessels with significant scale and geographic coverage. As a result, these partnerships allow DIS to provide a comprehensive service to its customers and to enhance the geographic exposure to advantageous business opportunities, which in turn results in greater flexibility in deploying the Group's fleet.

Since 2001, d'Amico International Shipping, through its operating subsidiary d'Amico Tankers Limited, has been a member of the Handytankers Pool, together with A.P. Moller-Maersk, Seaarland Shipping Management and Motia Compagnia di Navigazione SpA This is currently the largest handysize product tanker pool in the world, operating 89 vessels as at 31 December 2008. At that date, this pool included four handysize product tankers from the Group fleet, and 11 handysize product tankers chartered-in through the pool in which DIS had a partial interest amounting to 4.9 vessel equivalents. In 2003, the Group established High Pool Tankers Limited with Nissho Shipping Co. Limited (Japan). This pool operated six MR product tankers as at 31 December 2008, including five of DIS controlled Medium Range (MR) vessels. Under the pool arrangements d'Amico International Shipping is exclusively responsible for the pool's commercial management, in particular chartering, vessel operations and administration. In May 2005, DIS entered into a commercial arrangement with Glencore – ST Shipping (GLENDA International Management Limited) to trade the vessels under a single brand name, 'GLENDA'. As at 31 December 2008, GLENDA International Management Limited operated 26 MR product tankers, including five owned and six of the Group chartered in MRs. In addition to the pools and commercial agreements, DIS has also established two joint ventures for the combined control of vessels, with key strategic partners. The first such venture, DM Shipping Ltd., allows d'Amico International Shipping to broaden the scope of its relationship with the Mitsubishi Group, and has a new building programme involving two MR vessels to be delivered in second half of 2009. The second joint-venture, GLENDA International Shipping, reinforces the commercial partnership with the Glencore Group. The joint venture company has an order book for the purchase of 14 new MR product/chemical tankers to be delivered between June 2009 and October 2011.

d'Amico International Shipping is part of the d'Amico Group, one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione SpA (Italy). Today, the entire d'Amico Group controls about 75 owned and chartered in vessels, of which 35.9 are vessels of DIS fleet, operating in the product tanker market, while the remaining 39 include 37 dry-bulk vessels controlled by d'Amico Dry Limited and d'Amico Shipping Italia SpA, and 2 container vessels controlled by d'Amico Shipping Italia SpA d'Amico International Shipping benefits from a strong brand name and an established reputation in the international market due to the long operating history of the d'Amico Group. In addition, the Group benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as all safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

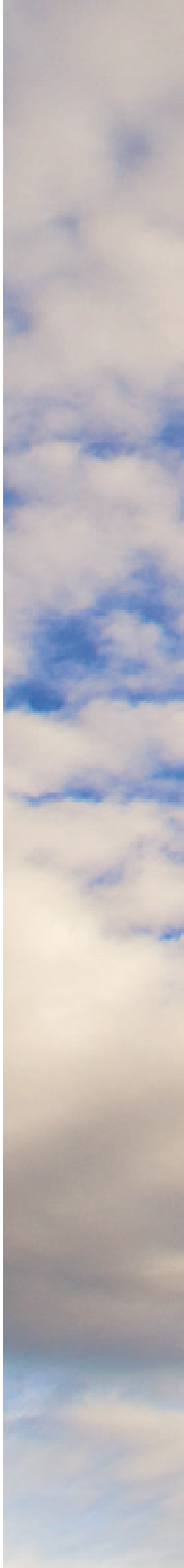
d'Amico International Shipping has offices in Luxembourg, Dublin, London, Monaco and Singapore. In addition, it is also represented through the offices of the partnerships in New York, Copenhagen, Venice and Tokyo. As at 31 December 2008, the Group employed 366 seagoing personnel and 53 onshore personnel.

Fleet

The following tables set forth information about DIS fleet as at 31 December 2008:

MR fleet

Name of vessel	Dwt	Year built	Builder, country	IMO classed
Owned				
High Venture	51,087	2006	STX, South Korea	IMO III
High Progress	51,303	2005	STX, South Korea	IMO III
High Performance	51,303	2005	STX, South Korea	IMO III
High Valor	46,975	2005	STX, South Korea	IMO III
High Courage	46,975	2005	STX, South Korea	IMO III
High Endurance	46,992	2004	STX, South Korea	IMO III
High Endeavour	46,992	2004	STX, South Korea	IMO III
High Challenge	46,475	1999	STX, South Korea	IMO III
High Spirit	46,473	1999	STX, South Korea	IMO III
High Wind	46,471	1999	STX, South Korea	IMO III
High Presence	48,700	2005	Imbari, Japan	-
High Priority	46,847	2005	Nakai Zosen, Japan	-
Time chartered with purchase option				
High Nefeli	45,976	2003	STX, South Korea	IMO III
High Prosperity	48,711	2006	Imabari, Japan	-
High Century	48,676	2006	Imabari, Japan	-
Time chartered without purchase option				
High Saturn	51,149	2008	STX, South Korea	IMO III
High Mars	51,149	2008	STX, South Korea	IMO III
High Mercury	51,149	2008	STX, South Korea	IMO III
High Jupiter	51,149	2008	STX, South Korea	IMO III
High Glory	45,700	2006	Minami Nippon, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
High Trader	45,879	2004	Shin Kurushima, Japan	-
High Energy	46,874	2004	Nakai Zosen, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-



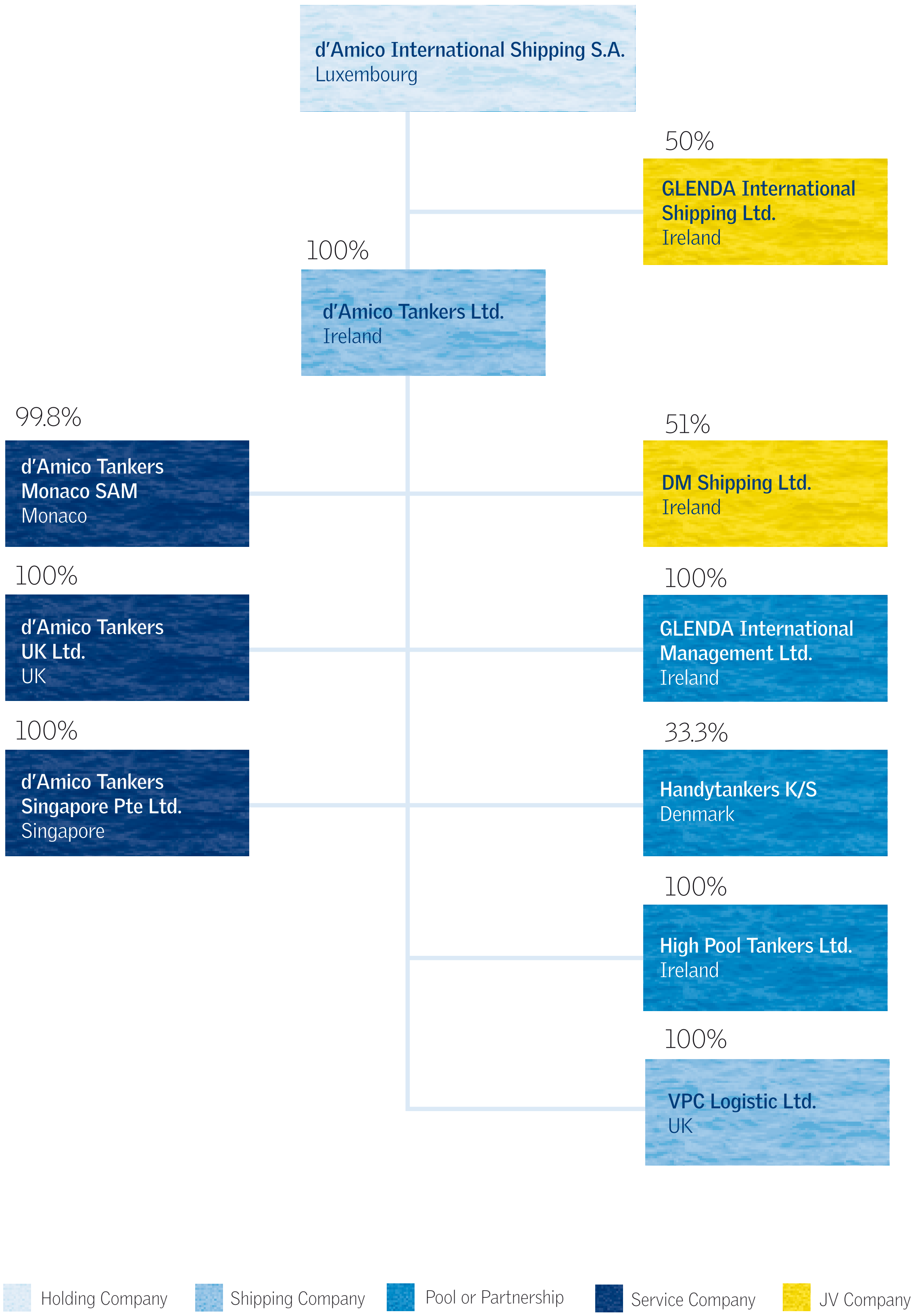
Handysize fleet				
Name of vessel	Dwt	Year built	Builder, country	IMO classed
Owned				
Cielo di Salerno	36,032	2002	STX, South Korea	IMO III
Cielo di Parigi	36,032	2001	STX, South Korea	IMO III
Cielo di Londra	35,985	2001	STX, South Korea	IMO III
Bare Boat without purchase option				
Cielo di Guangzhou	38,877	2006	Guangzhou, China	-
Time chartered without purchase option				
Cielo di Roma	40,096	2003	Shina, South Korea	IMO III
Cielo di Milano	40,083	2003	Shina, South Korea	IMO III
Cielo di Napoli	40,081	2002	Shina, South Korea	IMO III

Handysize chartered through pools fleet					
Name of vessel	Dwt	Year built	Builder, country	Interest	IMO classed
Time chartered without purchase option					
Handytanker Spirit	34,671	2006	Dalian, China	50%	IMO III
Handytanker Unity	34,620	2006	Dalian, China	33%	IMO III
Handytanker Liberty	34,620	2006	Dalian, China	33%	IMO III
Tevere	37,178	2005	Hyundai, South Korea	50%	IMO III
Fox	37,025	2005	Hyundai, South Korea	50%	IMO III
Ocean Quest	34,999	2005	Dalian, China	25%	IMO III
Elbtank Denmark[1]	37,274	2002	Hyundai, South Korea	50%	IMO III
Torm Ohio[1]	37,999	2001	Hyundai, South Korea	50%	IMO III
Time chartered with purchase option					
Handytankers Miracle	38,877	2008	Guangzhou, China	25%	IMO III
Melody	38,500	2008	Guangzhou, China	25%	IMO III
Malbec	38,499	2008	Guangzhou, China	100%	IMO III

[1] Elbtank Denmark was previously named Orontes, and Torm Ohio was previously named Ohio

Group Structure

Set out below is d'Amico International Shipping Group's structure:



The Product Tankers Industry

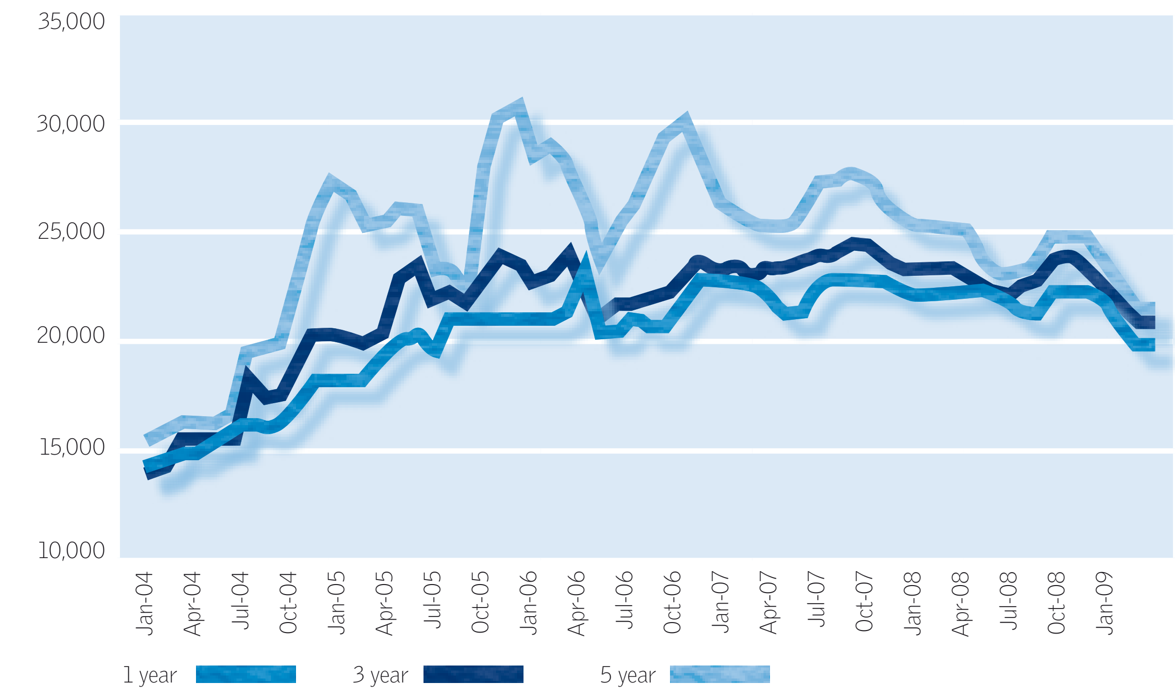
Product tankers normally move refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, naphtha and other soft chemicals and edible oils.

The seaborne movement of refined petroleum products between regions addresses demand and supply imbalances for such products caused by the lack of resources or refining capacity in consuming countries. An additional "arbitrage" trade also occurs, taking advantage of differences in price between refining centres and dislocation of specific product specifications. Owners of product tankers seek to utilise trade patterns to optimise the revenue and profit-generating potential of their product tanker fleets by maximizing vessel laden days (freight carrying) and minimizing waiting time and ballast days.

Within the product tanker industry, d'Amico International Shipping operates in the MR segment, which comprises vessels ranging from 25,000 dwt to 55,000 dwt. MR vessels account for the largest portion[1] of product tankers; these size vessels permit the greatest flexibility in trade routes and access to ports which may have restrictions on vessel displacement size, or vessel length-overall. The most common cargo size for refined petroleum products is 30,000 – 40,000 tones, which usually represent full cargoes, since products transported have a specific gravity which varies between 0.66 and 0.82.

Product tanker class (dwt)	Short range (SR) 10,000 – 25,000	Medium range (MR) 25,000 – 55,000	Long range (LR) 55,000 – 120,000
Characteristics	Trades in specialised market regionally Focused primarily on the distribution side	Access to more ports than larger vessels Better economies of scale over medium and longer distances versus small vessels	Better economies of scale over longer haul voyages
Voyages	Only short	Short and long	Only long
Flexibility	Low	High	Low
Arbitrage Voyages	No	Yes	No
% world fleet[1]	21%	46%	33%

Time charter rates for MR product tankers from January 2004 to present (US$)[2]



[1] Source: Clarksons Research Services Limited, as of 1 January 2009. Percentage of total product tankers (3,542 vessels). Excludes stainless steel vessels

[2] Source: Clarkson Research Services. MR product tankers from 47,000 to 48,000 dwt

Shareholders

Investor Relations

d'Amico International Shipping policy is to maintain a constant dialogue with its shareholders and Investors, pursuing a policy of fair communication with them through its Investor Relations Team. The annual IR programme includes conference calls after the delivering of Group results, several Analysts meetings, an Investors Day or Analysts/Investors presentation, together with the attendance at the relevant events that the Italian Stock Exchange (STAR Segment) organizes.

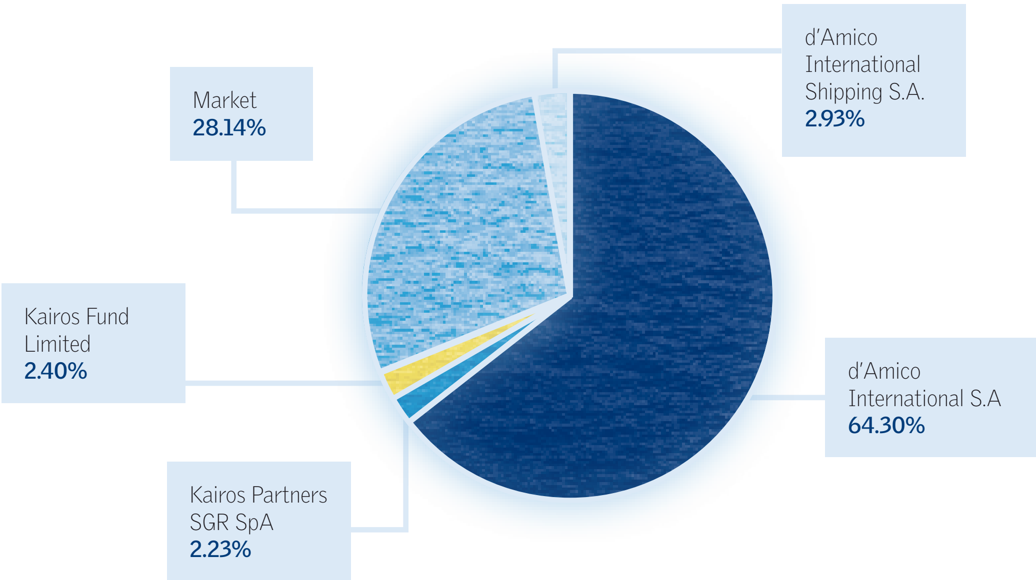
According to the Group's disclosure policy, d'Amico International Shipping edits a quarterly Investor News, seeking to keep all stakeholders updated about business developments, market opportunities, strategies and projects, operating performance, financial results and share trends.

More information is available on the Group's institutional website www.damicointernationalshipping.com. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage.

d'Amico International Shipping shareholders may also contact: *ir@damicointernationalshipping.com*

Shareholders

A total of 149,949,907 ordinary shares are outstanding. Based on the latest shareholdings communicated by investors, in accordance with applicable rules and Art. 6 of our Articles of Association, the following individuals and institutions have holdings exceeding 2% of d'Amico International Shipping's total ordinary outstanding shares:

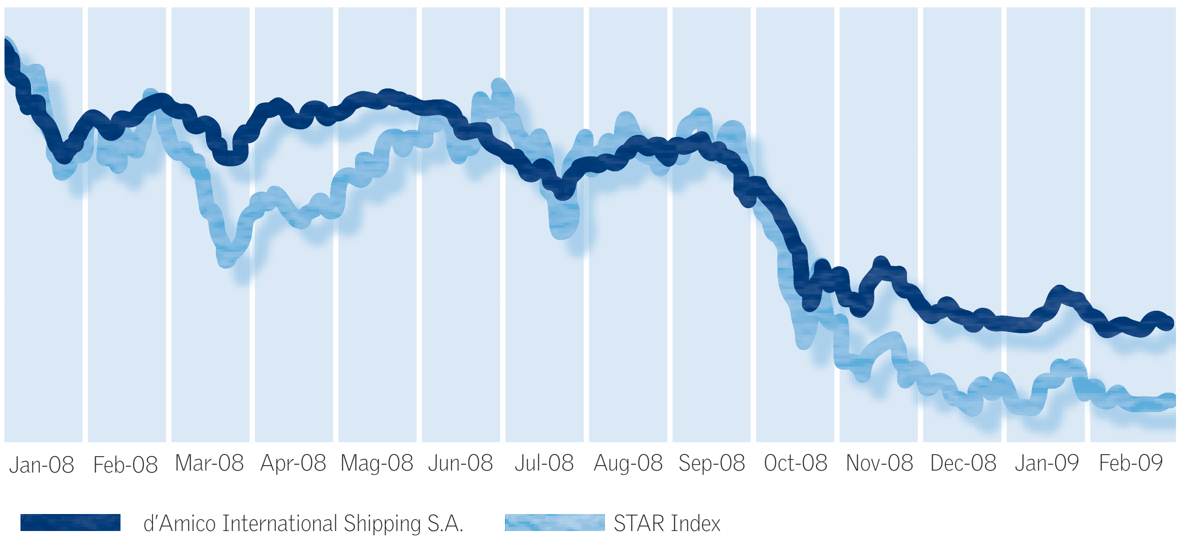


Dividend Policy

The dividend policy is based on the current results and estimated future liquidity requirements, taking into account the capital structure and the Group's development strategy, together with the expected future market developments.

Share Price Performance

Performance of d'Amico International Shipping's shares in 2008



During 2008, and mainly in the second half of the year, the worldwide stock exchange markets have been deeply affected by the global financial and economic turmoil, and also the DIS share price has been driven by these conditions. As a consequence, d'Amico International Shipping's share price has decreased by 50.41% on a yearly basis, performing broadly in line with the STAR Index (-11.30% relative to STAR). The average daily trading volume, during 2008 has been of 179,984 shares (184,522 in the last quarter).

Human Resources

As at 31 December 2008, d'Amico International Shipping and its subsidiaries had 419 employees, of which 366 were seagoing personnel. In 2008, the Group continued to strengthen its management organisation.

Seagoing Personnel

Crewing represents one of the key elements in the safe and efficient use of the fleet. To ensure a high-quality service d'Amico International Shipping has signed an inter-company agreement with the ultimate parent holding company, d'Amico Società di Navigazione SpA, for the assistance in these services. This agreement allows the Group to leverage on d'Amico Società di Navigazione's history, of over 70 years, as a ship-owner and manager.

The Group's crewing policy aims to promote safety onboard and protection for the environment, and to maintain an efficient and reliable crew staff. To attain these objectives d'Amico relies on three pillars: a thorough selection process, extensive training and a continuous monitoring and appraisal system.

To establish an effective recruitment program the Group aims to secure access to a large pool of talented employees. In this respect, d'Amico Società di Navigazione, has set up a base in the Indian market through a controlled company, d'Amico Ships (India), headquartered in Mumbai. The Indian market has an established track-record as a provider of quality English-speaking crew. At the end of 2008, 79%, of the crew-members on-board the Group's vessels were Indian.

Through appropriate training, the Group ensures that all employees meet the high standards of professionalism required to be a crew member onboard d'Amico International Shipping vessels. In this respect, d'Amico Ships (India) has set-up a rigorous training program, both ashore and onboard vessels. In addition, the Group pursues a tight collaboration with local maritime institutes, aiming to increase awareness of issues relating to safety and the environment, key priorities for d'Amico International Shipping.

Continuous monitoring and feedback allows the Group to identify areas for improvement and to establish tailor-made programs. In addition, the Group adopts a pro-active approach to evaluations, by focusing not only on errors but also on near-misses. Such an appraisal system enables the Group to identify areas of concern in advance and to take the appropriate measures.

Safety on board and for the environment is an overarching priority of the Group, and are promoted by, in addition to the above mentioned policies, the strict compliance with the procedures set out in the Safety, Quality and Environmental (SQE) manual. The Group believes that employee loyalty is crucial to ensure a high-quality and continuously improving service. In this respect, the Group aims to minimize turnover by providing a positive working environment, which respects individuals' development needs.

Ashore

The Group's personnel onshore has grown rapidly over the last few years, sustaining the large increase in d'Amico International Shipping's controlled fleet and facilitating the Group's future expansion plans. In line with the Group's objectives of providing a high-quality and efficiently managed fleet, the priority has been to expand and train the departments more closely linked to the operations of the vessel, namely chartering, operations and technical support.

Vessel Technical Management & SQE (Safety, Quality & Environment)

d'Amico Compliance with International Standards

All d'Amico vessels are built in accordance with international industry standards and are continuously monitored in order to ensure their compliance with IMO (International Maritime Organization) regulations, MARPOL (the International Convention for the Prevention of Pollution from Ships) and other international standards. Indeed, every year DIS product tankers are required to pass the following external examinations:

• Inspection and monitoring of compliance with MARPOL's standards by the flag state;

• Port-state controls, which are inspections of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules;

• Flag state controls in the country where a ship is registered;

• "Vetting inspections" by major oil and energy-related companies such as ExxonMobil, Shell, Total, Glencore, Petrobras, Vitol and Vela, which are some of its established customers.

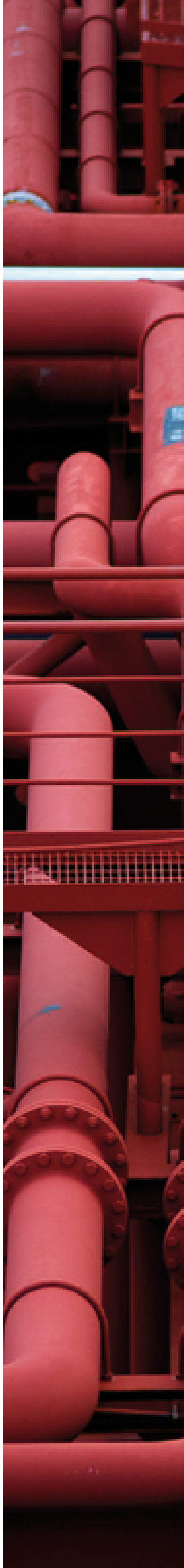
In order to demonstrate its vessels compliance, d'Amico has developed and adopted a severe environmental analysis consisting in identifying the vessels activities which interact with the environment (water, air and other elements) and analysing, among these interactions, those that might have significant impacts on the environment. IMO (Inter-Governmental Maritime Organization) is a specialized agency of the United Nations founded in 1958 in United Kingdom with a specific task: the development and updating of a comprehensive regulatory framework of international conventions and recommendations governing every facet of shipping, such as safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping. Among them there are the MARPOL convention and the STCW convention on standards of training for seafarers. MARPOL 73/78 is an international frame convention for the prevention of pollution from ships ("Marpol" stands for marine pollution and 73/78 short for the years 1973 and 1978), aiming at preserving the marine ecosystem through the complete elimination of pollution by oil and other harmful substances (e.g. gasoline, jet fuel, kerosene, naphtha). It comprises 6 detailed annexes, each concerned with preventing a specific form of marine pollution from ships.

Pursuant to a ship management agreement, d'Amico Società di Navigazione SpA, d'Amico Group's ultimate parent company, with the cooperation and under the supervision of d'Amico Tankers Limited (Ireland), is responsible for the technical management of d'Amico International Shipping Group's owned and bareboat chartered vessels.
In addition, d'Amico Società di Navigazione SpA gives its assistance to arrange insurance cover for the fleet and operates the Tanker Management and Self-Assessment programme (TMSA), launched in 2004 by the OCIMF (Oil Companies International Marine Forum), and the Safety Quality and Environment (SQE) Management System. Safety on board and for the environment is an overarching priority of d'Amico International Shipping.

The ship manager's responsibilities include those of performing general vessel maintenance, ensuring compliance with regulatory and classification society's requirement, satisfying oil majors vetting procedures, supervising the maintenance and promoting the efficiency of vessels, arranging and supervising dry-docks and repairs, purchasing supplies and spare parts, and appointing supervisors and technical consultants.

The Group is committed to promoting safety onboard and respect for the environment, aiming to eliminate incidents such as groundings, fires, collisions, and petroleum spills. In this respect, d'Amico International Shipping has adopted the TMSA programme since 2005 and SQE system since 2003.

Although not compulsory, the TMSA programme is recommended by major oil companies as a means of encouraging ship operators to measure, evaluate and improve their safety management systems against key listed performance indicators. In addition, the programme establishes best practices to solve problems and to optimise safety and environmental performance. Electronic tools to control and measure key performance indicators for different areas of technical management system have been implemented and the TMSA review is carried out every six months. The assessment results are the starting point for a continuous improvement plan aimed at achieving and guaranteeing high standards in safety and respect for the environment.
Since before the introduction of the TMSA programme, d'Amico International Shipping has been promoting internal SQE (Safety, Quality and Environmental) management procedures and operating an integrated SQE system on all its vessels, in conformity with the quality and environmental standards ISO 9001:2000 and ISO 14001:2004 established by the International Organisation for Standardisation, and was certified by the international classification society RINA SpA (Registro Italiano Navale) in 2003.



Every year, in fact, d'Amico SQE team carries out an internal audit (onboard and ashore) in order to identify and analyse all the factors within the Company's activities (e.g. bunkering operations and transport, oil/chemical products cleaning, products loading / transport / discharging), products or services that have or can have significant impacts on the environment, hence minimizing risk and aiming to reduce CO2 emissions. The analysis uses numerous data, such as type of fuels, water consumption, acoustic and electro-magnetic pollution measurements, construction data, vessel and plants lay-outs, maintenance procedures and frequencies. The Group considers indirect environmental aspects as well, which are those related to the activities performed by third parties, like the disposal of solid waste discharged and dry dock operations.

Financial Review of the Group

Highlights of the Group's Results in 2008

During the year ended 31 December 2008, the Group achieved a net profit of US$ 155.0 million, and gross operating profit (EBITDA) of US$ 208.4 million. Excluding, for comparison purposes, the gain from the disposal of four vessels during the year, the Group's key financials were somewhat lower than 2007, but better than originally expected and definitively very strong. The EBITDA margin was 40.9%, and net profit margin was 19.6% (as a percentage of TCE, and excluding result on disposal of vessels).

In the face of negative view on worldwide economic growth, the product tanker market showed remarkable robustness through 2008. Despite the general slow down and the strong fleet growth in the MR market there was a good level of vessel demand through dislocation of tonnage caused by various 'cross-trades', which were all long haul voyages. The first half of the year performed at lower levels than same period in 2007 with improvement starting in May with healthy demand driving rates up, initially on the back of a strong Western market. Strengthening US gasoline prices aided the arbitrage in the European to United States runs. Distillate products continued to flow from the US to Europe and effectively increased tonne miles. This contributed to a reduction in vessel supply and thus aided positive spot market rate increases. Spot net returns (TCE equivalent) were, however, to a certain extent adversely affected by a steady increase in bunker fuel prices, curtailing larger increases in net returns.

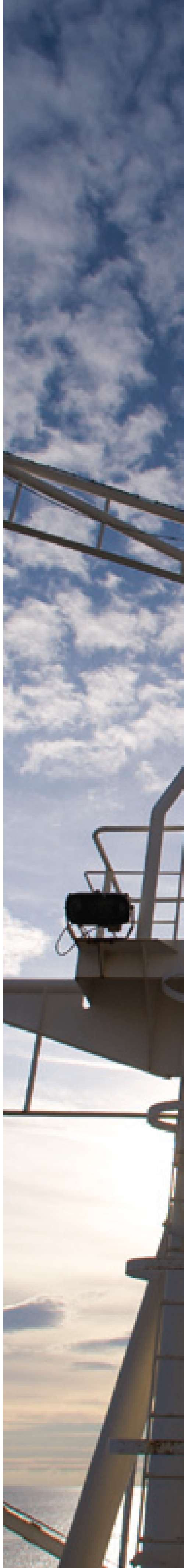
The spot market performed very well in Q3, also considering that this period is historically one of the weakest quarters of the year. Performance in July was very similar to that of June (being the strongest month of the year to date), and although August and September eased off a bit, third quarter earnings were still the best quarter earnings in 2008. Refinery turnarounds and high commodity prices in Asia meant trading arbitrage business was limited there, especially on Asia to United States West Coast routes, but term cargos and a slight increase in Australian imports did add to healthy demand. There was healthy arbitrage from the Middle East to Europe for jet fuel runs, allowing medium range product tankers to reposition to the slightly stronger markets, and even towards the end of the quarter naphtha arbitrage allowed some to move back to the East from the Western hemisphere. The Middle East Gulf increased activity and the erratic supply of product tankers was able to put upward pressure on freight rates in this market.

Q4 saw a downward trend in demand fundamentals within most markets. However despite this slow down earnings were underwritten by the continued long haul arbitrage trades from eastern Hemisphere to the Western Hemisphere. This enabled the eastern market with reduction in supply of Ships to maintain higher earnings throughout the quarter coming off towards the end of the year. Even though the freight rates were under pressure the bunker prices also came down considerably helped maintain acceptable returns for this quarter. Continued disputes in Argentina resulted in reduced exports of sunflower and soybean oil from here for most of the year, improving within the last quarter of the year. Conversely, the palm oil market from Malaysia, Indonesia, and the Philippines showed strong demand for IMO product tanker tonnage through the year with good volumes of palm oil being exported to Europe.

The Group's average TCE rate improved steadily throughout the year, with only a small dip recorded in Q4. Average TCE earnings per employment day were US$ 21,570 in 2008, compared to US$ 21,490 in 2007 (+0.4%). The Group result was also enhanced by its expanding fleet, which increased from an average of 35.2 vessels in 2007 to an average of 36.1 vessels in 2008 (+2.4%). While time charter equivalent earnings in 2008 were in line with 2007, the profitability variance was driven by higher time charter hire costs for new vessels and other operating costs.

Following the purchase of four previously time chartered-in vessels in H1 2008, in advance with respect to their original purchase option exercise dates and the sale of M/T High Trust and M/T High Peace in H1, realising a profit on disposal of US$ 47.2 million, the Group sold in H2 the M/T High Harmony and M/T High Consensus, generating a further profit on disposal of US$ 58.5 million.

At the Operating profit level, depreciation increased by 24.3% in 2008, following an increase in the number of owned vessels, and also a reduction in the residual value of vessels due to scrap steel prices being lower at the end of 2008 compared to the end of 2007. Also, net financial charges were impacted by a US$ 5.2 million charge in Q4 2008, relating to a forward contract and non-cash foreign exchange translation adjustment as at 31 December 2008 for the Mizuho loan denominated in Japanese Yen. Despite the latter non-routine costs, net profit margin excluding disposals was about 20% for the full year.



Operating Performance		
(US$ Thousand)	2008	2007
Revenue	323,984	310,260
Voyage costs	(72,368)	(58,575)
Time charter equivalent earnings	**251,616**	**251,685**
Time charter hire costs	(82,248)	(92,352)
Other direct operating costs	(46,102)	(34,647)
General and administrative costs	(24,291)	(22,408)
Other operating Income	3,821	3,767
Result on disposal of vessels	105,621	-
Gross operating profit / EBITDA	**208,417**	**106,045**
Depreciation	(36,690)	(29,507)
Operating profit / EBIT	**171,727**	**76,539**
Net financial income (charges)	(16,050)	(10,950)
Profit before tax	**155,677**	**65,589**
Income taxes	(665)	9,492
Net profit	**155,012**	**75,081**

Revenue for the year ended 31 December 2008 amounted to US$ 324.0 million, compared to US$ 310.3 million for the year ended 31 December 2007. The increase mostly reflects exceptionally high bunker prices experienced in mid 2008, which were absorbed by the market. In addition, the average number of vessels in the fleet was slightly higher in 2008 compared to 2007, at 36.1 and 35.2 respectively. The percentage of off-hire to available days was of 2.0% in 2008, in line with the previous year (2007: 2.2%).

Voyage costs increased from US$ 58.6 million for 2007, to US$ 72.4 million in 2008. As previously noted, bunker prices reached record levels in 2008, having a major impact on this item. Also contained in voyage costs were time charter-in costs associated with vessels not part of the Group's fleet, which include those vessels operated by VPC Logistics Ltd.. These charter in costs amounted to US$ 9.9 million in 2008 (2007: nil).

Time charter equivalent earnings for the year ended 31 December 2008 were US$ 251.6 million, in line with the year ended 31 December 2007 (US$ 251.7 million). At the end of H1 2008, TCE earnings trailed H1 2007 by 13.8%, but this gap was closed in H2 following a significant improvement in the market trend mainly during Q3 and, consequently in TCE per employment day, and also a higher average number of vessels in 2008 compared to 2007.

Time charter hire costs for 2008 were US$ 82.2 million, 11% lower than those for 2007. This reduction is mainly attributable to a reduction in the average number of vessels on time charter-in following the exercise of several vessels purchase options since the last quarter of 2007. There was an average of 14.8 time chartered vessels for the full year 2008, compared to 18.7 in 2007.

Other direct operating costs which include crew, technical, luboil and insurance expenses, arise mostly from the operation of owned vessels, and to a lesser extent from the operation of vessels on time charter-in. These costs, amounted to US$ 46.1 million for the year ended 31 December 2008, compared to US$ 34.6 million for the year ended 31 December 2007. The increase is attributable to the growth of 23% in the average number of owned vessel, from 13.5 in 2007, to 16.6 in 2008. There has also been an increase in the average daily cost for crews, due to the experienced shortage of skilled seagoing personnel. Technical expenses were influenced by the timing of expenditure on vessels, while insurance costs increased due to a general increase in premiums across the sector.

General and administrative expenses for the year ended 31 December 2008 amounted to US$ 24.3 million. As expected, these were higher than those recorded for the year ended 31 December 2007 (US$ 22.4 million), with the Company having floated in the middle of Q2 2007, and incurring costs in the entire 2008 year associated with being a listed company, together with the increase in the number of staff following the set-up of an appropriate organisation structure. Salaries and benefits were also negatively impacted by the unfavourable US dollar exchange rate during most part of 2008, with the majority of managers and employees being paid in Euro.

Other operating income for the year ended 31 December 2008 (US$ 3.8 million), includes chartering commission from the Handytankers Pool, and also insurance receipts relating to claims in the period.

Result on disposal of vessels (US$ 105.6 million) represents the gain on sale of M/T High Trust in Q1 (US$ 22.2 million), M/T High Peace in Q2 (US$ 24.9 million), and M/T High Harmony and M/T High Consensus in Q4 (US$ 58.5 million).

Gross operating profit (EBITDA) for the year ended 31 December 2008 amounted to US$ 208.4 million (US$ 102.8 million excluding gain from disposal of vessels), compared to US$ 106.0 million for the year ended 31 December 2007. As a percentage of time charter equivalent earnings, the gross operating profit margin was of 40.9% in 2008 (excluding gain from disposals), from 42.1% in 2007. This variance in margin is influenced to the already disclosed trend in general and administrative costs, and in other direct operating costs per available vessel day, whose effect on earnings outweighed those from the higher average proportion of owned vessels in the Group's fleet.

Depreciation for 2008 amounted to US$ 36.7 million, compared to US$ 29.5 million in 2007. The increase is attributable to the growth from 13.5 to 16.6 in the number of owned vessels in 2008 compared to 2007, together with a significant additional depreciation charge in H2 2008, following a significant reduction in scrap steel prices compared to the end of 2007, increasing depreciable amounts for vessels but without affecting cash flow.

Operating profit (EBIT) for the year ended 31 December 2008 amounted to US$ 171.7 million (US$ 66.1 million excluding gain on disposals), compared to US$ 76.5 million for the year ended 31 December 2007. Following the significant increase in depreciation, the operating profit margin, excluding gains on the disposal of vessels, decreased to 26.3%, from 30.4% for the same period last year.

Net financial charges for 2008 amounted to US$ 16.1 million, compared to US$ 10.9 million in 2007. 2008 includes a US$ 5.2 million negative adjustment incurred in the last quarter relating to a forward contract and the retranslation of a loan denominated in Japanese Yen.

Profit before tax for the year ended 31 December 2008 amounted to US$ 155.7 million (US$ 50.1 million excluding gain from disposal of vessels), compared to US$ 65.6 million for the year ended 31 December 2007. Despite the increase in some costs (depreciation etc.) and the non-routine items noted above, a solid core business and flexible debt structure enabled d'Amico International Shipping to maintain a very robust profit margin for 2008 compared to 2007 (19.9% and 26.1% respectively on a comparable basis, excluding 2008 gain on vessels' disposal).

Income taxes mainly arise from the Group's key operating entity, d'Amico Tankers Ltd. (Ireland). Entry into the Irish Tonnage Tax regime in 2007 led to the recognition of taxes for the period principally based on the notional income of vessels, which is dependent on the size of the vessel, rather than on the company's profit. This led to the reversal of the Group's deferred tax liabilities previously accounted for in that year, with a net tax credit of US$ 9.5 million in 2007. This compares to a charge of US$ 0.7 million in 2008.

Net profit for the year ended 31 December 2008 amounted to US$ 155.0 million (US$ 49.4 million excluding gain on disposal of vessels), compared to US$ 75.1 million for the year ended 31 December 2007 (US$ 64.9 million excluding US$ 10.2 million deferred tax write back).

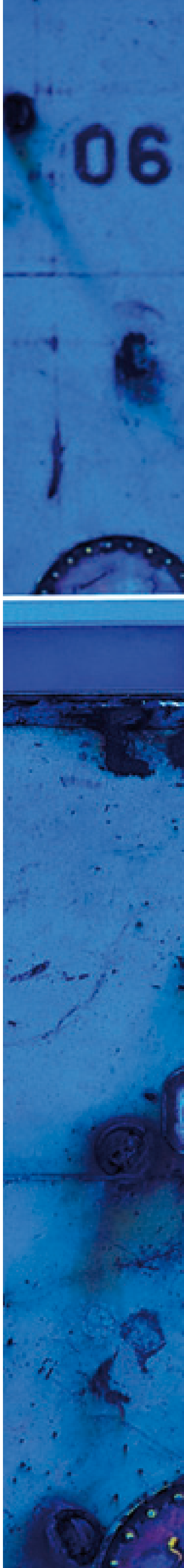
Consolidated Balance Sheet		
(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Assets		
Non current assets	531,275	430,609
Current assets	192,879	70,090
Total assets	**724,154**	**500,699**
Liabilities and Shareholders' Equity		
Shareholders' equity	387,839	282,689
Non current liabilities	271,666	178,482
Current liabilities	64,649	39,528
Total liabilities and shareholders' equity	**724,154**	**500,699**

Non current assets are comprised almost entirely of the fleet (owned vessels), whose book value (cost less depreciation) is significantly lower than its market value of US$ 609.9[1] million as at 31 December 2008, according to a valuation report provided by Clarkson, as at 16 January 2009.

During 2008, ***gross capital expenditure***, amounted to US$ 247.7 million, corresponding mainly to payments for exercising M/T High Harmony's, M/T High Consensus', M/T High Peace's and M/T High Presence's purchase options, stage payments for 14 vessels under construction as part of the GLENDA International Shipping joint venture, and two vessels under construction relating to the d'Amico Mitsubishi Shipping joint venture. Also included in capitalised costs are dry-docks for the owned vessels.

Current assets, excluding cash and cash equivalents (US$ 41.5 million as at 31 December 2008), are comprised of a US$ 110.3 million financial receivable relating to the sale of M/T High Harmony and M/T High Consensus, with the balance made up of working capital items (trade receivables and inventories).

[1] Includes d'Amico International Shipping's share of vessels under construction based on stage of completeness



Non current liabilities consist of the long-term portion of debt due to banks, disclosed under the Net Indebtedness section below, while ***current liabilities*** mainly include working capital items (trade payable and other liabilities, for a total amount of US$ 41.9 million), other than the short term portion of debt, together with the negative fair value of the IRS derivative instrument.

The increase in ***shareholders' equity*** from US$ 282.7 million as at 31 December 2007, to US$ 387.8 million as at 31 December 2008, is driven by the consolidated net profit of US$ 155.0 million after deducting the dividend payment of US$ 34.3 million made.

Net Indebtedness

Net financial indebtedness, amounted to US$ 142.2 million as at 31 December 2008, compared to US$ 157.9 million as at the end of 2007. The ratio of net debt to shareholder's equity was of 0.37 at 31 December 2008.

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Liquidity		
Cash and cash equivalents	41,482	24,926
Securities held for trading	-	-
Current financial receivables		
From related parties	-	-
From third parties	110,279	-
Other current financial assets	**-**	**-**
Total current financial assets	**151,761**	**24,926**
Bank loans – current	**4,243**	**-**
Other lenders	**1,541**	**-**
Other current financial liabilities		
Due to related parties	-	-
Due to third parties (IRS fair value)	16,546	4,355
Total current financial debts	**22,330**	**4,355**
Net current financial indebtedness	**(129,431)**	**(20,571)**
Bank loans – non current	**260,883**	**178,482**
Other non current financial liabilities		
Due to related parties	-	-
Due to third parties	10,783	-
Total non current financial debt	**271,666**	**178,482**
Net financial indebtedness	**142,235**	**157,911**

The total outstanding bank debts as at 31 December 2008 (including the short term portion of US$ 4.2 million) amounted to US$ 265.1 million, of which US$ 153.8 million is attributable to the 10 year revolving facility between d'Amico Tankers Ltd. (Ireland) and Calyon (syndicated by other banking institutions), while the group share of loans granted by Commerzbank AG Global Shipping and Credit Suisse for the GLENDA International Shipping Ltd. Joint Venture new-buildings vessels amounted to US$ 58.3 million, and the new Yen 10 billion loan facility arranged by Mizuho Corporate Bank had a balance equivalent to US$ 53.1 million at the year end.

The US$ 110.3 million current financial receivable from third parties relates to the proceeds to be received from the sale of M/T High Harmony and M/T High Consensus. Until the sale price is paid, the vessels have been delivered to the buyer under bareboat agreements.

The following table shows the Net Debt at the end of the fourth quarter 2008 compared with the figures at end of the third quarter of the same year (the fourth quarter movements are attributable mainly to the financial receivable on vessel sales, to the fair value adjustment on financial payables, and to capital expenditures during that period):

(US$ Thousand)	As at 31 December 2008	As at 30 September 2008
Cash and cash equivalents	(41,482)	(45,222)
Current financial assets	(110,279)	-
Current financial liabilities	22,330	5,600
Non current financial debt	271,666	291,960
Net financial indebtedness	**142,235**	**252,338**

Cash Flow

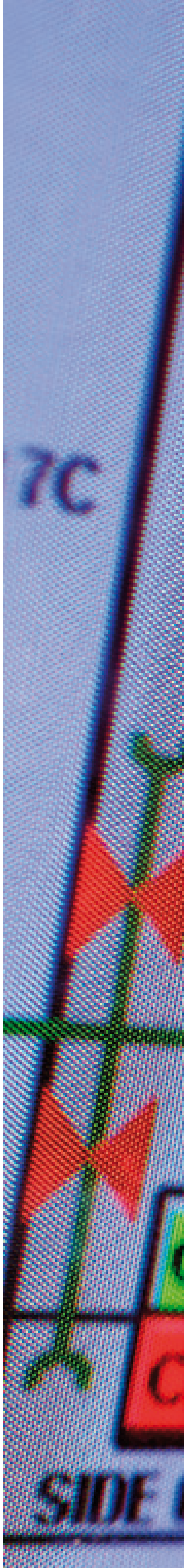
Net cash flow for the year ended 31 December 2008 amounted to US$ 16.6 million, increasing cash and cash equivalents to US$ 41.5 million as at 31 December 2008, from US$ 24.9 million at the end of December 2007.

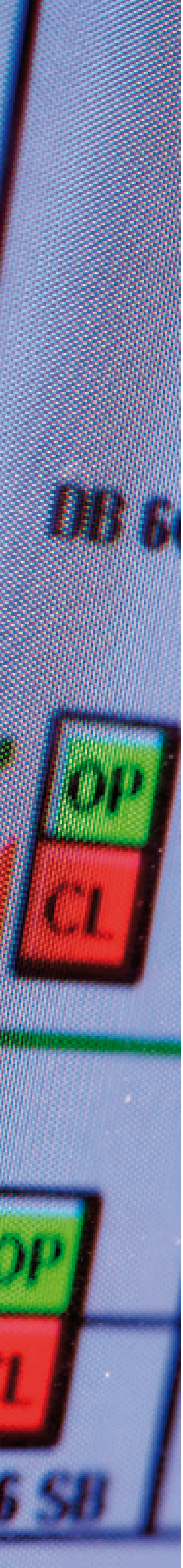
(US$ Thousand)	2008	2007
Cash flow from operating activities	102,682	97,887
Cash flow from investing activities	(31,748)	(82,548)
Cash flow from financing activities	(54,378)	(4,344)
Change in cash balance	**16,556**	**10,994**
Net increase/(decrease) in cash and cash equivalents	**16,556**	**10,994**
Cash and cash equivalents at the beginning of the period	24,926	13,932
Cash and cash equivalents at the end of the period	**41,482**	**24,926**

Cash flow from operating activities for the year ended 31 December 2008 amounted to US$ 102.7 million, compared to US$ 97.9 million for 2007. The increase was driven mainly by improvements in working capital in 2008.

Cash flow from investing activities for 2008 amounted to a net outflow of US$ 31.7 million, compared to a net outflow of US$ 82.5 million in 2007. Additions to fixed assets in 2008 include the exercise of purchase options on M/T High Harmony, M/T High Consensus, M/T High Peace and M/T High Presence, amounting to US$ 110.2 million, d'Amico International Shipping's share of yard payments on vessels under construction as part of the Group's joint ventures with GLENDA International Shipping, amounting to US$ 128.0 million, and d'Amico Mitsubishi Shipping, amounting to US$ 4.4 million. The disposal of M/T High Trust in Q1, M/T High Peace in Q2, and M/T High Harmony and M/T High Consensus in Q4, generated a net cash inflow of US$ 216 million in the period.

Cash flow from financing activities for the year ended 31 December 2008 includes a net repayment of US$ 24.7 million from the Calyon revolving facility, a drawdown of US$ 58.3 million from the Commerzbank and Credit Suisse loans, and a drawdown of US$ 53.1 million from the new Mizuho Corporate Bank Yen facility. A shareholders dividend of US$ 34.3 million was paid in Q2 2008. Other financing activity movements relate to a financial payable to ST Shipping (Glencore Group), as a result of the transfer to GLENDA International Shipping of two vessels at the end of 2008.





Quarterly Results

Fourth Quarter Results

The fourth quarter 2008 and 2007 full income statements are shown below:

(US$ Thousand)	Q4 2008	Q4 2007
Revenue	72,012	67,640
Voyage costs	(8,468)	(13,409)
Time charter equivalent earnings	**63,544**	**54,231**
Time charter hire costs	(22,842)	(19,768)
Other direct operating costs	(11,519)	(9,871)
General and administrative costs	(6,123)	(7,467)
Other operating Income	(47)	1,071
Result on disposal of vessels	58,467	-
Gross operating profit / EBITDA	**81,480**	**18,196**
Depreciation	(9,639)	(7,525)
Operating profit / EBIT	**71,841**	**10,671**
Net financial income (charges)	(7,138)	(2,074)
Profit before tax	**64,703**	**8,597**
Income taxes	(24)	(404)
Net profit	**64,679**	**8,192**

Market and Key Operating Measures Review by Quarter

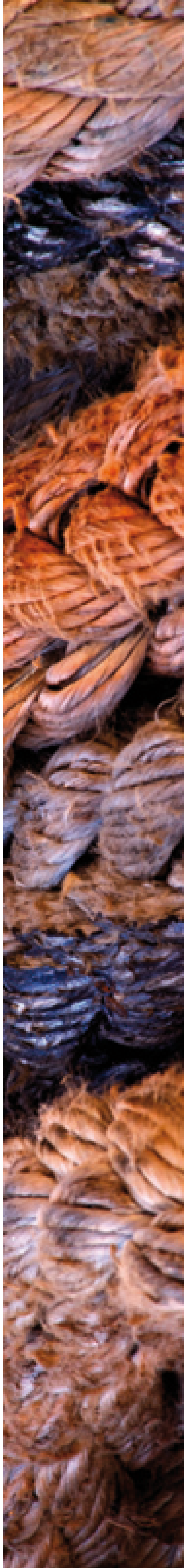
	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Total vessel equivalent					
2008	35.2	36.2	36.7	36.2	36.1
2007	36.0	36.2	34.5	34.4	35.2
Change (%)	(2.3)%	0.1%	6.4%	5.2%	2.6%
Off-hire days/available vessel days (%)					
2008	2.4%	1.5%	1.6%	2.8%	2.0%
2007	2.4%	2.1%	0.7%	3.4%	2.2%
TCE earnings per employment day (US$)					
2008	20,234	21,271	22,750	21,968	21,570
2007	22,574	23,543	19,738	19,635	21,490
Change (%)	(10.4)%	(9.7)%	15.3%	11.9%	0.4%

Financials by Quarter

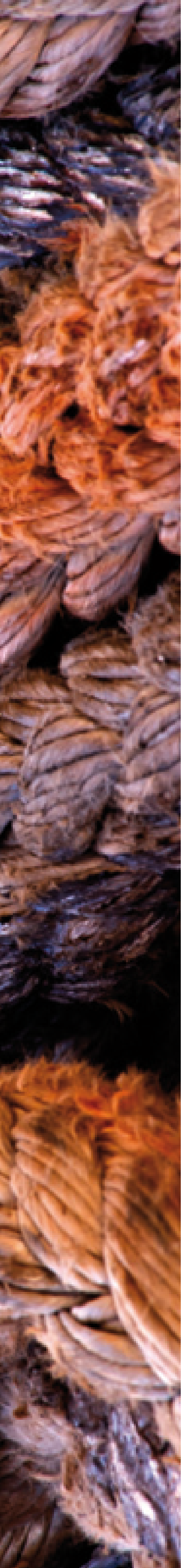
The 2008 quarterly financials reflect the trend in freight markets.

(US$ Thousand)	1st quarter 2008	2nd quarter 2008	3rd quarter 2008	4th quarter 2008	Total 2008
Revenue	72,958	84,274	94,740	72,012	323,984
Voyage costs	(15,687)	(21,119)	(27,094)	(8,468)	(72,368)
Time charter equivalent earnings	**57,271**	**63,155**	**67,646**	**63,544**	**251,616**
Time charter hire costs	(18,386)	(19,664)	(21,356)	(22,842)	(82,248)
Other direct operating costs	(10,844)	(12,729)	(11,010)	(11,519)	(46,102)
General and administrative costs	(5,647)	(6,452)	(6,069)	(6,123)	(24,291)
Other operating Income	2,392	1,082	394	(47)	3,821
Result on disposal of vessels	22,229	24,925	-	58,467	105,621
Gross operating profit / EBITDA	**47,015**	**50,317**	**29,605**	**81,480**	**208,417**
Depreciation	(8,652)	(7,972)	(10,427)	(9,639)	(36,690)
Operating profit / EBIT	**38,363**	**42,345**	**19,178**	**71,841**	**171,727**
Net financial income (charges)	(2,842)	(3,036)	(3,034)	(7,138)	(16,050)
Profit before tax	**35,521**	**39,309**	**16,144**	**64,703**	**155,677**
Income taxes	(176)	(280)	(185)	(24)	(665)
Net profit	**35,345**	**39,029**	**15,959**	**64,679**	**155,012**

(US$ Thousand)	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Time charter equivalent earnings					
2008	57,271	63,155	67,646	63,544	251,616
2007	68,688	71,071	57,695	54,231	251,685
Change (%)	(16.6)%	(11.1)%	17.2%	17.2%	0.0%
Gross operating profit / EBITDA					
2008[1]	24,786	25,392	29,605	23,014	102,796
2007	33,709	30,132	24,009	18,196	106,045
Change (%)	(26.5)%	(15.7)%	23.3%	26.5%	(3.1)%
Operating profit / EBIT					
2008[1]	16,134	17,420	19,178	13,374	66,106
2007	26,282	22,820	16,766	10,671	76,539
Change (%)	(38.6)%	(23.7)%	14.4%	25.3%	(13.6)%
Net profit					
2008[1]	13,116	14,104	15,959	6,212	49,391
2007	19,993	29,041	17,854	8,192	75,081
Change (%)	(34.4)%	(51.4)%	(10.6)%	(24.2)%	(34.2)%



[1] Figures exclude result from the disposal of vessels



Significant Events of the Year

Controlled Fleet – Owned Vessels

In January 2008 d'Amico Tankers Ltd. acquired M/T High Harmony and M/T High Consensus, medium range double-hulled product tanker vessels (46,000 dwt), built in 2005 by the Shin Kurushima shipyard in Japan, for the purchase price of US$ 26.5 million each, by exercising the vessel's purchase option in advance with respect to the original exercise period. The vessels were originally chartered-in by d'Amico Tankers Limited. On 27 August 2008, d'Amico Tankers Limited agreed to sell to United Arab Chemical Carriers Limited of Dubai, UAE, both these vessels, for the sale price for each vessel of US$ 56.5 million, generating a gain on disposal of about US$ 29 million for each vessel, recognised at the delivery of the vessels. At the end of October 2008 an unconditional agreement was concluded, and until the sale price is paid the vessels have been delivered to the buyer under bareboat agreements. On 11 February an addendum of the agreement was signed providing that the payment, originally scheduled for January 2009, be postponed to the end of May 2009.

On 1 February 2008, d'Amico Tankers sold to a third party, for a price of US$ 54.95 million, the M/T High Trust, a medium range double-hulled product tanker built in 2004 by the Shin Kurushima Shipyard in Japan. A net gain of US$ 22.2 million was realised on the sale of this vessel. Prior to its sale, the vessel had been time chartered-in, and then owned by d'Amico Tankers Limited, which had exercised its purchase option.

d'Amico Tankers also acquired on 29 February 2008, the MT High Peace, a medium range double-hulled product tanker vessel of 45,888 dwt built in 2004. The purchase price was US$ 28.1 million. This vessel was originally chartered-in by d'Amico Tankers Limited and the charter agreement provided for a purchase option. On 8 May 2008, d'Amico Tankers sold this vessel to third party, the for a sale price of US$ 55.0 million, realising a gain on disposal of US$ 24.9 million.

On 19 August 2008, the MT High Presence was delivered to d'Amico Tankers Limited. This is a 47,000 dwt medium range double-hulled product tanker vessel built in 2005, in Imabari Shipbuilding Co. Ltd. Japan, for which d'Amico Tankers Limited exercised in advance its purchase option. The agreed purchase price for the vessel was about US$ 30 million. The vessel was originally chartered in by d'Amico Tankers Ltd..

Controlled Fleet – Chartered-in Vessels

During 2008 the following vessels have been delivered to d'Amico Tankers Limited:

- January 2008 - M/T Malbec, a handysize chartered-in vessel in which the Company has a 100% interest, was delivered for a period of 6 years. The time charter-in contract also includes a purchase option at the contract expiration date.
- February 2008 - M/T Miracle, a handysize chartered-in vessel in which d'Amico Tankers Limited has a 25% interest, was delivered for a period of 6 years. The time charter-in agreement for this vessel also includes a purchase option at the contract expiration date.
- April 2008 - M/T High Saturn and M/T High Mars, medium range chartered-in vessels in which the Company has a 100% interest, were delivered for a period of 7 years. Both the vessels have options to increase the charter-in periods for a maximum of three additional years each, at the discretion of the Company.
- July 2008 - M/T High Mercury, a medium range chartered in vessel in which the Company has a 100% interest, was delivered for a period of 7 years.
- October 2008 - M/T High Jupiter, a medium range chartered in vessel was delivered for a period of 7 years.

In February 2008 the time charter-in contract for M/T High Nefeli, which would have expired in March 2008, was extended for another three years to March 2011.

New-Building Plan

On 18 July 2008, d'Amico Tankers Limited entered into contracts for the construction of two additional new product/chemical tanker vessels (being medium range 46,000 DWT) with Hyundai Mipo Dockyard Co Ltd., Korea, for expected delivery in January and October 2011, for a contract price of US$ 50.5 million each. These double-hulled vessels are modern, flexible, IMO classed vessels. These contracts were transferred at the same price in December 2008 to GLENDA International Shipping Limited, a 50/50 Joint Venture between d'Amico International Shipping S.A., the d'Amico Tankers Limited parent company, and the Glencore Group.

Financing – Mizuho Facility

d'Amico Tankers Limited signed on 30 September 2008 an agreement for a secured term loan facility of up to a maximum of 10 billion Yen (about US$ 95 million). This deal has been arranged by Mizuho Corporate Bank Ltd. and has been syndicated by a pool of Japanese primary banks and leading financial institutions.

The purpose of the Loan Facility is to finance the acquisition of Japanese product tanker vessels for which d'Amico Tankers Limited has purchase options and/or the acquisition of other product tanker vessels. This agreement, over a period of ten years, provides an interest cost corresponding to the three month London Interbank Offer Rate (LIBOR) for Japanese Yen, plus a margin of between 100 and 125 basis points depending on the financed vessels' loan-to-assets' value ratio. Collateral is mainly in the form of first-priority mortgages over the vessels.

GLENDA International Shipping – the Joint-Venture with Glencore Group

On 1 February 2008 GLENDA International Shipping's fleet expanded from seven to a total of ten MR double-hull product/chemical tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – Korea (6 vessels) and SLS Shipbuilding Co. Ltd. (4 vessels).

In June 2008, the company signed with Commerzbank AG - Global Shipping and Credit Suisse a contract to finance yard payments for the first six Hyundai product tankers vessels. This agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total amount of US$ 195.0 million (67% of the contract price to be paid for the vessels), and an interest cost referenced to the US dollar LIBOR plus a spread varying from 90 to 110 basis points, depending on the financed vessels 'value to loan'. Collateral is mainly in the form of first-priority mortgages over the vessels. The agreements also provide a covenant relating to the financed vessels' aggregate value-to-loan ratio, which should at all times be at least 130%.

On 22 December 2008 GLENDA International Shipping Limited expanded its fleet by the acquisition of four additional product/chemical tankers vessels (being Medium range 46,000 DWT) ordered from Hyundai Mipo Dockyard Co. Ltd. – Korea for expected delivery in 2011. These double-hulled vessels are modern, flexible, IMO classed. The contracts, which have been previously signed separately by d'Amico Tankers Limited (Ireland) in July 2008 and by ST Shipping and Transport Pte Ltd., a member of the Glencore Group, in 2007, have been taken over by GLENDA International Shipping Limited. Following this transaction, GLENDA International Shipping Limited's fleet expands to a total of fourteen MR double-hull product/chemical tankers under construction, with deliveries scheduled between the second half of 2009 and the end of 2011.

The current new building programme is detailed in the table below. All the vessels will be double-hulled, modern, flexible, and IMO classed.

GLENDA new-building programme

Name of vessel Hull Number	Estimated tonnage (dwt)	Estimated delivery date	Builder, country	Flag[1]	IMO Classified
S510 - GLENDA Mara	51,000	June 2009	SLS, South Korea	Liberia	IMO III
S511 - GLENDA Marlene	51,000	June 2009	SLS, South Korea	Liberia	IMO III
S512 - GLENDA Marina	51,000	September 2009	SLS, South Korea	Liberia	IMO III
S513 - GLENDA Maris	51,000	October 2009	SLS, South Korea	Liberia	IMO III
2199 - GLENDA Megan	47,000	August 2009	Hyundai MIPO, South Korea	Liberia	IMO III
2200 - GLENDA Meredith	47,000	December 2009	Hyundai MIPO, South Korea	Liberia	IMO III
2186 - GLENDA Melanie	47,000	November 2010	Hyundai MIPO, South Korea	Liberia	IMO III
2187 - GLENDA Melody	47,000	January 2011	Hyundai MIPO, South Korea	Liberia	IMO III
2201 - GLENDA Meryl	47,000	January 2011	Hyundai MIPO, South Korea	Liberia	IMO III
2202 - GLENDA Melissa	47,000	March 2011	Hyundai MIPO, South Korea	Liberia	IMO III
Hyundai – 2251	47,000	January 2011	Hyundai MIPO, South Korea	Singapore	IMO III
Hyundai – 2252	47,000	October 2011	Hyundai MIPO, South Korea	Singapore	IMO III
Hyundai – 2164	47,000	February 2011	Hyundai MIPO, South Korea	Singapore	IMO III
Hyundai – 2188	47,000	March 2011	Hyundai MIPO, South Korea	Singapore	IMO III

Buy-back Programme

In pursuance of the share buy-back programme approved by the Board of Directors on the 1st of August 2007, d'Amico International Shipping S.A. during the 2008 repurchased, on the regulated market managed by Borsa Italiana SpA 1,808,567 own shares representing (1.20611% of the share capital), at an average price of Euro 1.742, for a total consideration of Euro 3,151,320. As at the 31 December 2008, d'Amico International Shipping S.A. held 4,390,495 own shares, corresponding to 2.92797% of the outstanding share capital.

[1] Proposed

Significant Events since the End of the Year and Business Outlook

Buy-back Programme

On 27 January 2009 the extraordinary shareholders' meeting of d'Amico International Shipping authorized the buy-back of the Company's ordinary own shares as proposed and explained by the Board of Directors in its report to the shareholders duly approved in its meeting held on 5 November 2008. The buy-back, up to a maximum of number 14,994,991 of ordinary shares including the Company's own shares already repurchased (corresponding to 10% of the subscribed capital of the Company), may be carried out in one or more tranches, for a maximum period of 18 months at the minimum price of Euro 0.50 per share and a maximum price of Euro 5 per share for a total consideration in the range of about Euro 7.5 million to about Euro 75 million.

Controlled Fleet

There have been no changes to the Group's controlled fleet. The profile of d'Amico International Shipping's vessels on the water is summarised as follows:

	As at 31 December 2008			As at 18 February 2009		
	MR	Handysize	Total	MR	Handysize	Total
Owned	12.0	3.0	15.0	12.0	3.0	15.0
Time chartered	12.0	4.0	16.0	12.0	4.0	16.0
Chartered through pools	-	4.9	4.9	-	4.9	4.9
Total	24.0	11.9	35.9	24.0	11.9	35.9

High Harmony and High Consensus Sale

On 11 February 2009 d'Amico Tankers Limited agreed an addendum to the contract signed in August 2008 relating to the sale of the M/T High Harmony and M/T High Consensus for a total consideration of US$ 113.0 million. The terms of the agreement call for an extension of the bareboat period until May 2009 and appropriate escrow guarantees.

Handytankers

The Company entered into a share sale and purchase agreement (the "Agreement") with A.P. Møller – Mærsk A/S and Marco Polo Seatrade B., as buyers, for the sale and delivery of the shares held by d'Amico Tankers Ltd. in Handytankers K/S Esplanaden 50, a limited partnership constiltuted under the laws of Denmark with registered office at DK-1908 Copenhagen K.. This Agreement is expected to be finalised by the parties within February 2009 for a cash consideration of DKK 54,000 (about US$ 9,000). The sale follows the reorganisation of the pool company.

Business Outlook

The key drivers that should affect the product tanker freight markets in 2009 are: (i) There are great concerns about Oil demand and worldwide GDP growth; and (ii) There is still a large influx of new buildings in 2009/2010.

These can be offset to a varying extent by:

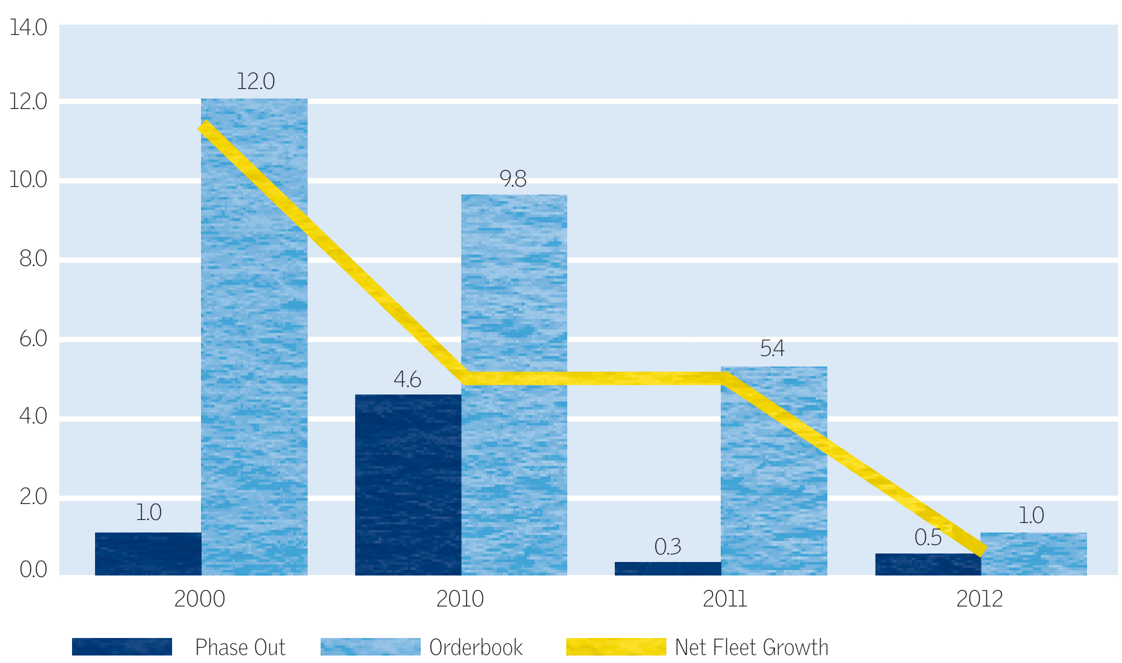
- Despite the decrease in the price of Oil there are still planned investments in Refinery Capacity in the coming years primarily within the Asian region, which should result in increased tonne mile demand;
- Despite the fact that the IEA have revised downwards Oil Product demand for the OECD Nations this is countered to an extent by expected increase in demand outside these Countries;
- Refinery closures in the Western hemisphere have already occurred and could possibly continue in the coming year(s) and any positive correction in demand can be met by the excess capacity with the Eastern hemisphere which will increase the tonne mile demand for Product Tankers;
- There is expected further trade growth in other Commodities such as Palm oil and Vegetable oil. The exports of Palm and Vegetable Oil tend to also be long haul trades to large consuming Countries such as China and the United States. These Products also can only be carried on IMO Classified vessels which should increase demand for these type of vessels;

• Multidirectional refined products trade driven by arbitrage opportunities;
• A further tightening of vetting and screening procedures from oil companies, favoring modern, double hull vessels operated by owners with full in-house ship-management and crewing;
• Reduction in all commodity prices could stimulate some trade growth;

Potential fleet reduction in net growth over next couple of years, and possible reduction of deliveries within 2009 due to following reasons:
• Financing has not been secured for some vessels;
• A further tightening of vetting and screening procedures from oil companies, favoring modern, double hull vessels operated by owners with full in-house ship-management and crewing;
• Ship Yards that are facing continued delays which could become cancellations;
• A large number of Owners are now trying to re-negotiate contracts; either delaying deliveries into 2010/2011, reducing orders or not taking up additional options;
• 2010 is the deadline for IMO phase out and in the current economic climate Owners may elect to scrap their single hull ships earlier than originally anticipated.

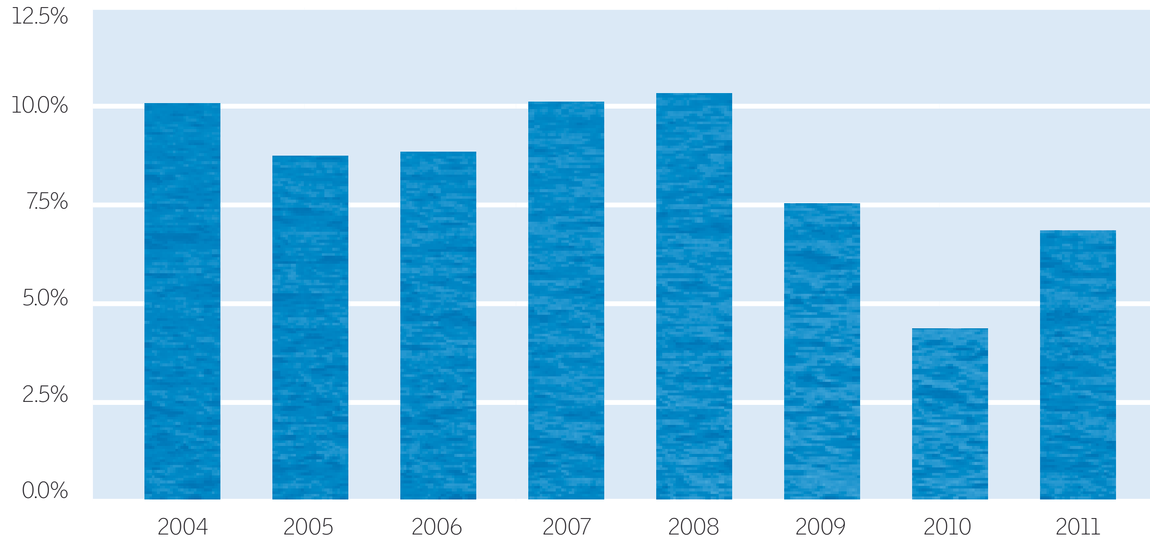
The above factors are those which could affect the future development and performances. The previous section 'Financial review' already discloses the financial position of the Group, its cash flows, net debt. The Explanatory Notes to the financial statements (note 2 and note 3) include the Risk management strategy and the Capital disclosure relating to the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. d'Amico International Shipping has significant financial resources available through its revolving facilities and credit lines. In addition, a relevant portion of the revenue has been already secured and the expected fixed contract coverage percentage for 2009 should be close to 60% on average. This coverage comes from time charter out contracts and COAs (contract of affreightment). These resources consequently allow the directors to believe that, despite the current uncertain worldwide economic outlook, the Group is well positioned to manage its business risks successfully.

Medium Range deliveries/scrapping[1] (millions of dwt)

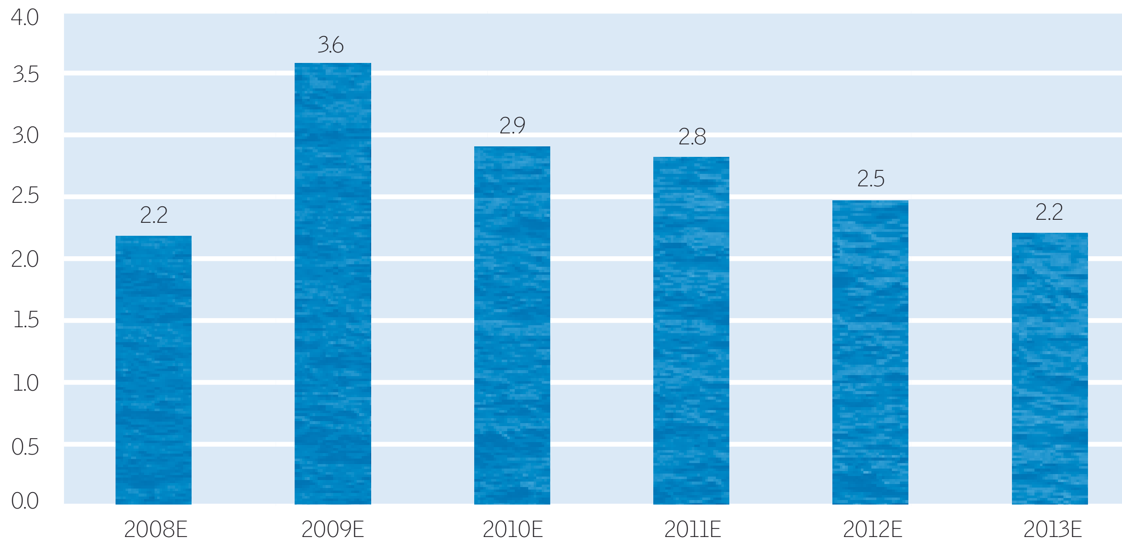


[1] MR Product Tankers ranging from 25,000 to 55,000 dwt. Source: Clarkson Research Services as of 1 January 2009

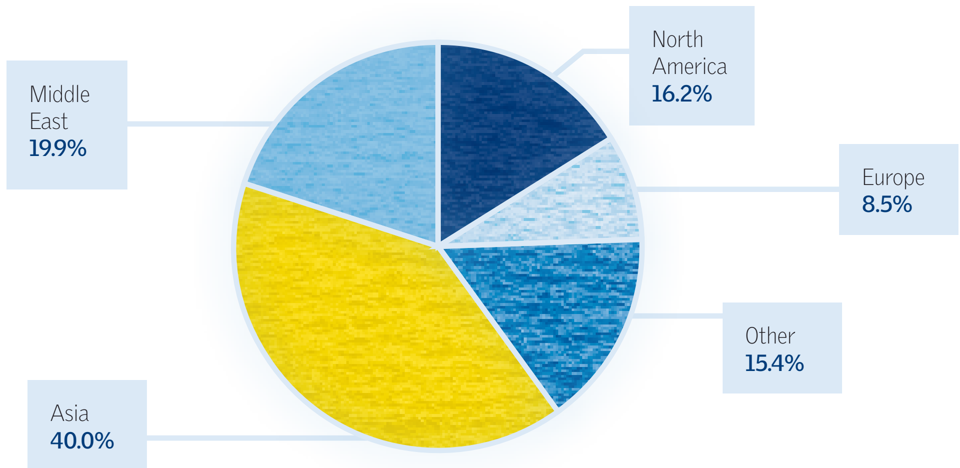
Medium Range product tanker fleet growth[1]



Global refinery capacity additions[2] (millions of bpd)



Breakdown of capacity additions by region[2] 2008 – 2012



[1] MR Product Tankers ranging from 25,000 to 55,000 dwt. Source: Clarkson Research Services as of 1 January 2009

[2] Source: International Energy Agency Medium-Term Oil Market Report, July 2008

Corporate Governance

Company Profile and Information on Compliance

d'Amico International Shipping S.A. (hereinafter, the "Company") is a company duly incorporated on 9 February 2007 and existing under Luxembourg laws. The Company is listed on the STAR segment of the Mercato Telematico Azionario (hereinafter, the "MTA") organised and managed by Borsa Italiana SpA (hereinafter, "Borsa Italiana"). The Company is organised in compliance with the applicable Luxembourg laws and provisions and, as per resolution of its Board of Directors of 23 February 2007, resolved to adopt the Corporate Governance Code of Conduct for the Italian Listed Companies issued and approved by Borsa Italiana on 14 March 2006 (hereinafter, the "Borsa Italiana Code"). The Company is further subject to the disclosure obligations related to corporate actions and periodic information communicated by Consob, the Italian Financial Regulator, on 5 and 12 April 2007, according to Article 114 of Consob Regulation n. 11971 of 14 May 1999, implementing the provisions on issuers of Legislative Decree n. 58 of 24 February 1998, as amended by further Consob resolutions, (hereinafter, the "Consob Issuer Regulation") and to Article 2.1.4 of the Rules of the Markets organised and managed by Borsa Italiana (hereinafter, the "Borsa Italiana Regulation"). In accordance with the provisions of the Instructions to the Rules of the Markets organised and managed by Borsa Italiana S.p.A (hereinafter, the "Borsa Italiana Instructions"), on the occasion of the Annual General Shareholders' Meeting called to approve the Company's Annual Financial Statements, the 2008 Annual Report on Corporate Governance (hereinafter the "Report") is filed with Borsa Italiana and made available both at the registered offices of the Company and in the Investor Relations section of the Company's website, www.damicointernationalshipping.com (hereinafter, the "Website") which also contains documents regarding the Company's corporate governance system.

Board of Directors

In accordance with the Articles of Association the Annual General Shareholders' Meeting held on 29 April 2008 fixed at six (6) the number of the members of the Board of Directors and appointed its members. Each member of the Board of Directors was elected for a three year term office that will end with the Annual General Shareholders' Meeting called to approve the 2010 Company's Financial Statements. At the date of the Report, the Board of Directors consists of six (6) directors, of whom three (3) are Executive and three (3) are Non-Executive; of the latter two (2) are classified as Independent Directors. The number of Independent Directors, further prior assessment carried out by the Nomination Committee, was judged adequate with reference to the size of the Board and the activity of the Company.

In compliance with the Borsa Italiana Code recommendations, the Board of Directors in its meeting held on 6 May 2008, having taken into consideration the purpose and the dimension of the Company and of the group of which the Company is part as well as the participation of the directors of the Company in several committees established within its members, resolved that the directors of the Company, so as to be able to grant an effective performance of their duties, may not hold more than fifteen (15) offices on the boards of directors and/or on the boards of auditors of other companies either listed on regulated markets (including foreign markets), or financial ones, banks, insurance companies and/or companies of a considerably large size. To this end, the Board of Directors further resolved to disregard, in the count of the global number of offices, all the companies which are members of the same group of which the Company is part and to consider as one all the offices held on companies belonging to a same group other than the Company's one.

The following scheme evidences the composition of the Board of Directors and the number of relevant offices held by each of the Directors in the said other companies.

Name	Office	In office from	Executive	Non-executive	Independent	% of attendance	Other relevant offices
Paolo d'Amico	Chairman	23.02.2007	X			100%	7
Marco Fiori	Chief Executive Officer	09.02.2007	X			100%	-
Cesare d'Amico	Director	23.02.2007	X			100%	6
Stas Jozwiak[1]	Director	23.02.2007		X	X	100%	-
Massimo Castrogiovanni	Director	23.02.2007		X	X	100%	-
Gianni Nunziante	Director	23.02.2007		X		100%	1

[1] Lead Independent Director

As of the date of the Report three (3) **members of the Board of Directors** are **Executive** namely, Paolo d'Amico, Cesare d'Amico and Marco Fiori. Moreover, the Board of Directors held on 6 May 2008 resolved to confirm the appointment of Paolo d'Amico as **Chairman** of the Board of Directors without a specific delegation of powers, of Marco Fiori as **Chief Executive Officer** of the Company in charge of the Company's daily management and representation and with power to bind the Company under his single signature up to amounts of USD five (5) millions – or equivalent in any other currency – and also confirmed the setting up of the **Executive Committee** specifying the following tasks:

a) to determine the organizational structure of the Company;

b) to review, analyze and evaluate the strategic, industrial and financial plan of the Company and of its subsidiaries together with the relevant budget, business plan and any other document, paper, plan and proposal concerning the Company and its subsidiaries as well as any update of the abovementioned documents;

c) to grant voting instructions to representatives of the Company in the corporate bodies of the Company's subsidiaries;

d) to designate the members of the board of directors and/or of the executive committee and the members of the control bodies of the Company's subsidiaries;

e) to employ, dismiss, transfer and to grant powers to the employees with managerial responsibilities of the Company and to give any relevant instructions in that respect to its subsidiaries;

f) to review, analyze and evaluate, in the light of the strategic, industrial and financial plan of the Company and of its subsidiaries, all of the contracts, deeds, acts and documents concerning new building, purchase, sale, long term chartering in and long term chartering out of vessels.

Current members of the Executive Committee are namely, Paolo d'Amico, Cesare d'Amico and Marco Fiori. In 2008 Financial Year the Executive Committee held six meetings with a 100% attendance of all its appointed members. Moreover, on 29 July 2008 the Board of Directors, upon proposal of the Committee itself, resolved to approve the Executive Committee Regulation, governing its functioning, duties and rights.

As of the date of the Report three (3) **members of the Board of Directors** are **Non-Executive** namely, Massimo Castrogiovanni, Stas Jozwiak and Gianni Nunziante.

An adequate number of **Independent Directors** is essential to protect the Shareholders' interests, particularly minority shareholders' and third parties' interests, assuring that potential conflicts between the Company's interests and those of the controlling Shareholder are assessed impartially. As of the date of the Report and according to the declarations made by the parties concerned, two (2) Non-Executive Directors qualify as independent namely, Massimo Castrogiovanni and Stas Jozwiak. In line with the Borsa Italiana Code recommendations, the number of Independent Directors is sufficient to ensure that their opinion has a significant impact on the decision-making process of the Board of Directors. The independence requirements are those set forth in the Article 3.C.1. and 3.C.2. of the Borsa Italiana Code. On the basis of the information provided by the Directors concerned and of that in the Company's possession, the Board of Directors in its meeting held on 6 May 2008 duly verified at the time of the re-appointment of self-declared Independent Directors that each of them satisfied the independence requirements referred to in the Borsa Italiana Code. The results of the assessment process were disclosed to the market through a press release. This kind of assessment is periodically done and as a consequence of it the Board of Directors evaluated that no existing relation involving both the Independent Directors is such as to jeopardize their autonomy of judgement.

In accordance with the Borsa Italiana Code, since the Chairman of the Board of Directors is an Executive Director as well as one of the controlling Shareholder, the Board of Directors in its meeting as of 6 May 2008, designated and appointed Stas Jozwiak as **Lead Independent Director** in charge with the function to coordinate the activity and the requests of the Non-Executive Directors with special regards to those Independent Directors. Indeed this position is intended to provide a point of reference and coordination for the needs and inputs of the Independent Directors.

Major Transactions and Significant Transactions with Related Parties

In compliance with article 9 of the Borsa Italiana Code, on February 7th, 2008, the Board of Directors, upon previous recommendation of the Audit Committee, approved and adopted a set of internal rules in order to ensure the transparency and the substantial and procedural fairness of those transactions carried out by the Company, directly or through its Subsidiaries, and with a major impact on the Company's activity, financial statements, economic and financial figures in view of their nature and strategic importance or size with particular reference to those Significant Transactions carried out by the Company or its Subsidiaries with Related Parties.

The abovementioned rules identify the Major Transactions and the Significant Transactions with Related Parties and reserve exclusively to the Board of Directors, upon previous advice of the Audit Committee, the right of issuing prior approval (for transactions over which the Company is competent) or prior assessment (for transactions over which companies directly or indirectly controlled by the Company have competence). The rules also require the Directors to provide the Board of Directors, reasonably in advance, with a summary analysis of all the relevant aspects concerning the Major Transaction and the Significant Transactions with Related Parties submitted to their attention as well as with information about the nature of the relationship, the manner of carrying out the transaction, the economic and other conditions, the evaluation procedures used, the rationale for the transaction, the Company's interest in its implementation and the associated risks the strategic consistency, economic feasibility, and expected return for the Company ("Relevant Information").

During the 2008 Financial Year the Company duly implemented the provisions of the above mentioned internal rules by previously approving or assessing, according to the above explained procedure, all the major transactions and significant transactions with related parties mainly carried out by the Company's operating subsidiary.

Committees Established by the Board of Directors

In compliance with the recommendations contained in Article 5 of the Borsa Italiana Code, the Board of Directors meeting held on 6 May 2008 resolved to confirm the setting up of a **Nomination**, **Remuneration** and an **Audit Committee**. As per the abovementioned resolution, all the Company's Committees are composed of three Non-Executive members of the Board of Directors two of which are Independent Directors and one of them has an adequate and recent experience in accounting and finance as assessed by the Board of Directors resolving upon the relevant appointment. The number of Independent Directors was considered adequate so as to permit the constitution of the above mentioned Committees. Moreover, upon proposal of the respective Committee, the Board of Directors approved a Regulation for each of the Committees governing their respective internal functioning, operation procedures, duties and rights.

The Internal Control System

The Board of Directors meeting held on 7 February 2008, having received positive advice by the Audit Committee, resolved to approve the Company's **Guidelines for the Internal Control System** (hereinafter the "Guidelines") drafted in order to ensure a correct identification, an adequate measure and a proper handling and control of the main risks faced by the Company and its Subsidiaries and in order to prevent risks in accordance with the goal of protecting the corporate assets and consistent with the principles of sound management. The same Board of Directors meeting, upon positive advice by the Audit Committee, approved the main terms of the Risk Management Strategy policy of the Company taking into account the various financial risks to which the Company is exposed in its ordinary course of business. The policy is aimed to reduce the Company's earnings exposure to cyclical fluctuation.

The Board of Directors meeting held on 6 May 2008 resolved to again identify in the Chairman of the Company the **Supervisory Director responsible for supervising the properly functioning and effective implementation of the Internal Control System**. Such Supervisory Director supports the Board of Directors in the performance of its internal control functions and, working within and in accordance with the Guidelines established by the Board of Directors, is responsible for:

a) the identification of the core corporate risks, based on the characteristics of the Company and its Subsidiaries' business, reporting periodically to the Board of Directors about the output of its assessment;

b) the implementation of the Guidelines approved by the Board of Directors;

c) the planning, the operation and the managing the System of Internal Control;

d) monitoring the efficiency, adequacy and effective implementation of the System of Internal Control;

e) making sure that the System of Internal Control is updated to address any issues that may arise during the monitoring process or as a result of the evolution of the Company's organization or operational structure, changes in the Company's business and changes in the statutory and regulatory framework that may be relevant to the Company.

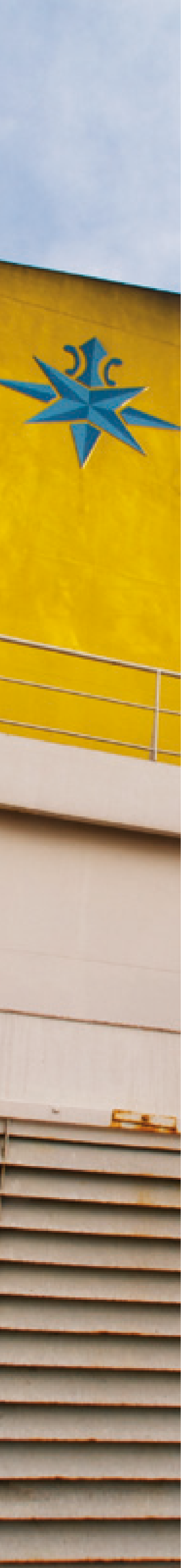
In performing these tasks, the Supervisory Director relies on the support of the Internal Control Officer and reports to the Board of Directors about the work performed upon request or whenever the Supervisory Director deems it necessary in connection with the occurrence of specific problems.

The Company's Board of Directors meeting held on 29 July 2008 resolved to appoint, upon proposal of the Chairman, in his capacity as Internal Control Supervisory Director, and further advice given by the Audit Committee, the **Internal Control Officer**. The Internal Control Officer is also the head of the Internal Audit function, who is not responsible for any operational unit, does not report to any manager of an operational unit and has direct access to all information useful for the performing of his tasks. The Internal Control Officer is required to perform the following tasks:

a) verifying the efficiency, adequacy and effective implementation of the System of Internal Control;

b) reporting to the Internal Control Supervisory Director, the Audit Committee about the management of risk profiles and the correct implementation of plans for risk monitoring.

The Company, although governed by Luxembourg laws and regulations, due to the listing of its shares over the STAR segment of the MTA organized and managed by Borsa Italiana is requested by the Borsa Italiana Regulation to apply the Italian Legislative Decree 8 June 2001, n. 231, which has introduced the administrative liability of legal entities and their respective bodies for specific types of criminal offences provided under the Italian Criminal Code (such as the crimes against the Italian public authorities, corporate crimes, market abuse etc.) committed and prosecutable in Italy in the interests or for the benefit of the same by Top Level Subjects or by Employees. The Decree, however, provides for a specific form of exemption from liability if the legal entity proves to have adopted and effectively implemented:



a) an appropriate compliance program that aims to develop an organic and structured system of procedures, rules and controls to be implemented both preventively (ex ante) and subsequently (ex post), in order to reduce and prevent in a material way the risk of commission of the different types of crimes in particular, through the identification and relative drafting of a procedure for each of the sensitive activities identified as the activities most at risk of crime indentified under the Italian Criminal Code (so called "Model of Organization, Management and Control" or "Model");

b) that the responsibility for supervising the functioning and the observance of the Model as well as for its updating is being entrusted to a specific body (the "Supervisory Committee") of the legal entity provided with autonomous powers of initiative and control.

The Company, upon evaluation of the Audit Committee, on 12 March 2008, has formally adopted the Model and is now implementing specific operating procedures in order to prevent the commission of crimes. The Board of Directors in the same meeting also approved and adopted the **Code of Conduct** which contains the business ethics fundamental principles to which the Company conforms and with which directors, statutory auditors, employees, consultants and partners and in general all those who act in the Company's name and on its behalf are required to comply. The Code of Conduct is available on the Investor Relations section of the Website.

The Board of Directors of 12 March 2008 approved, upon proposal of the Nomination Committee, the setting up of a Supervisory Committee charged with the following duties:

a) supervising the effectiveness of the Model, putting in place control procedures for specific actions or specific acts carried out by the Company, also coordinating with the other corporate functions in order to put in place a better monitoring of the activities at risk;

b) periodically checking the efficiency and adequacy of the Model, ascertaining that the elements provided in the individual special parts for the different types of crime are adequate for the requirements of the observance of what is laid down in the Decree and conducting recognitions on the corporate activities in order to update the mapping of the activities at risk;

c) evaluating the advisability of updating the Model when necessary to update it in relation to corporate requirements or conditions;

d) assuring the information flows necessary also through promoting suitable initiatives for an awareness and understanding of the Model and co-operating in the drawing up and supplementing of internal rules.

The Company's Supervisory Committee consists of three (3) members appointed after due evaluation and consideration of the following requisites required by the Decree 231 for such function: autonomous initiative capacity; independence; professionalism; continuity of action; absence of any conflict of interest; and honourableness.

In particular, one member is the Internal Control Officer of the Company and was appointed by the Board of Directors upon proposal of the Nomination Committee on 29 July 2008 due to the resignation of the former Internal Control Officer. The other two members are external and were appointed, following the same procedure, on 12 March 2008. On 29 July 2008 the Company, upon proposal of the Committee itself, further approved the internal Regulation of the Supervisory Committee governing its functioning, operation procedures, duties and rights.

Based on the periodic report made by the Supervisory Committee regarding the implementation, functioning, adequacy and efficacy of the Model, the Board of Directors after due evaluation considered the Supervisory Committee adequate in terms of organizational structure and powers conferred and that no changes and/or additions are necessary.

Auditors

According to article 17 of the Articles of Association, the operations of the Company and its financial situation, including, more in particular, its books and accounts, shall be reviewed by one or more statutory and/or, where required pursuant to the laws, independent auditor(s), who need not to be shareholders themselves. The independent auditor(s) will be elected by the General Meeting of Shareholders for a period not exceeding six (6) years, and they will hold office until their successors are elected. They are re-eligible and they may be removed at any time, with or without cause, by a resolution adopted by the General Meeting of Shareholders.

Due to the fact that both the consolidated and statutory annual accounts of the Company are duly audited by the appointed Independent Auditor ("*Réviseur d'entreprises*"), according to Luxembourg laws and regulations the Company is no longer bound to appoint a Statutory Auditor ("*Commissaire aux Comptes*").

Stock Option Plan

On 6 September 2007, the extraordinary general meeting of shareholders of d'Amico International Shipping, approved a Stock Option Plan as previously accepted by the Board of Directors meeting held on 1 August 2007. The full terms and details of this Stock Option Plan are more specifically described in the "*Information Document*", as publicized on the Group's website.

The beneficiaries of the Stock Option Plan are Marco Fiori, Michael Valentin and Alberto Mussini, directors and officers who, due to the strategic significance and criticality of their role, position in the line and staff structure, and effect of their office on the corporate results, hold positions considered as "key" within the Group.

The Stock Option Plan provides for the assignment of 2,631,774 options, divided into 4 tranches and eligible for accumulation, carrying the right to purchase 2,631,774 d'Amico International Shipping's shares (1.7% of the shares outstanding post-plan). All the options shall be exercised on or before 31 July 2010. The exercise price of the options for all beneficiaries of the Stock Option Plan and for each tranche assigned has been fixed at €3.50 and is therefore not tied to the shares' stock exchange value.

Regarding Marco Fiori, the Stock Option Plan provides for the assignment of 1,315,887 options carrying the right to subscribe or to acquire 1,315,887 shares. The Stock Option Plan provides for the allotment to Michael Valentin of 1,052,710 options carrying the right to subscribe or to acquire 1,052,710 shares. Regarding Alberto Mussini, the Stock Option Plan provides for the assignment to of 263,177 options, carrying the right to subscribe or to acquire 263,177 shares. Since the approval of the Stock Option Plan and as of today, none of the beneficiaries of the Stock Option Plan has exercised his rights and therefore all the options mentioned above are still considered outstanding.

Stock Options Granted to Members of the Board of Directors and to Senior Managers of the Company with Reference to Shares of the Company and of its Subsidiaries

(Each option gives right to underwrite or purchase one share)
(in compliance with article 78 of the Consob Regulation 11971/99)

		Marco Fiori	Michael Valentin	Alberto Mussini
	Company	d'Amico Internat. Shipping S.A.[1]	d'Amico Tankers Ltd.[2]	d'Amico Internat. Shipping S.A.[3]
	Position	CEO	COO and Director	CFO
N. of options owned at the beginning of the 2008 financial year	N. of options	1,315,887	1,052,710	263,177
	Average strike price	€3.50	€3.50	€3.50
	Average expiry date	31/7/2010	31/7/2010	31/7/2010
N. of options granted during the 2008 financial year	N. of options	-	-	-
	Average strike price	-	-	-
	Average expiry date	-	-	-
N. of options exercised during the 2008 financial year	N. of options	-	-	-
	Average strike price	-	-	-
	Average market price at strike	-	-	-
N. of options expired during the 2008 financial year	N. of options	-	-	-
N. of options owned at the end of the 2008 financial year	N. of options	1,315,887	1,052,710	263,177
	Average strike price	€3.50	€3.50	€3.50
	Average expiry date	31/7/2010	31/7/2010	31/7/2010

[1] In addition to position in d'Amico International Shipping S.A, holds the following positions: Director of d'Amico Tankers Ltd. (Ireland), CEO of d'Amico Tankers Monaco, Director of d'Amico Tankers UK Ltd., and Director of d'Amico Tankers Singapore Pte Ltd.

[2] In addition to position in d'Amico Tankers Ltd., holds the following positions: Director of d'Amico Tankers Singapore Pte Ltd., and Director of d'Amico Tankers UK Ltd.

[3] In addition to position in d'Amico International Shipping S.A, holds the following position: CFO and Director of d'Amico Tankers Limited (Ireland)

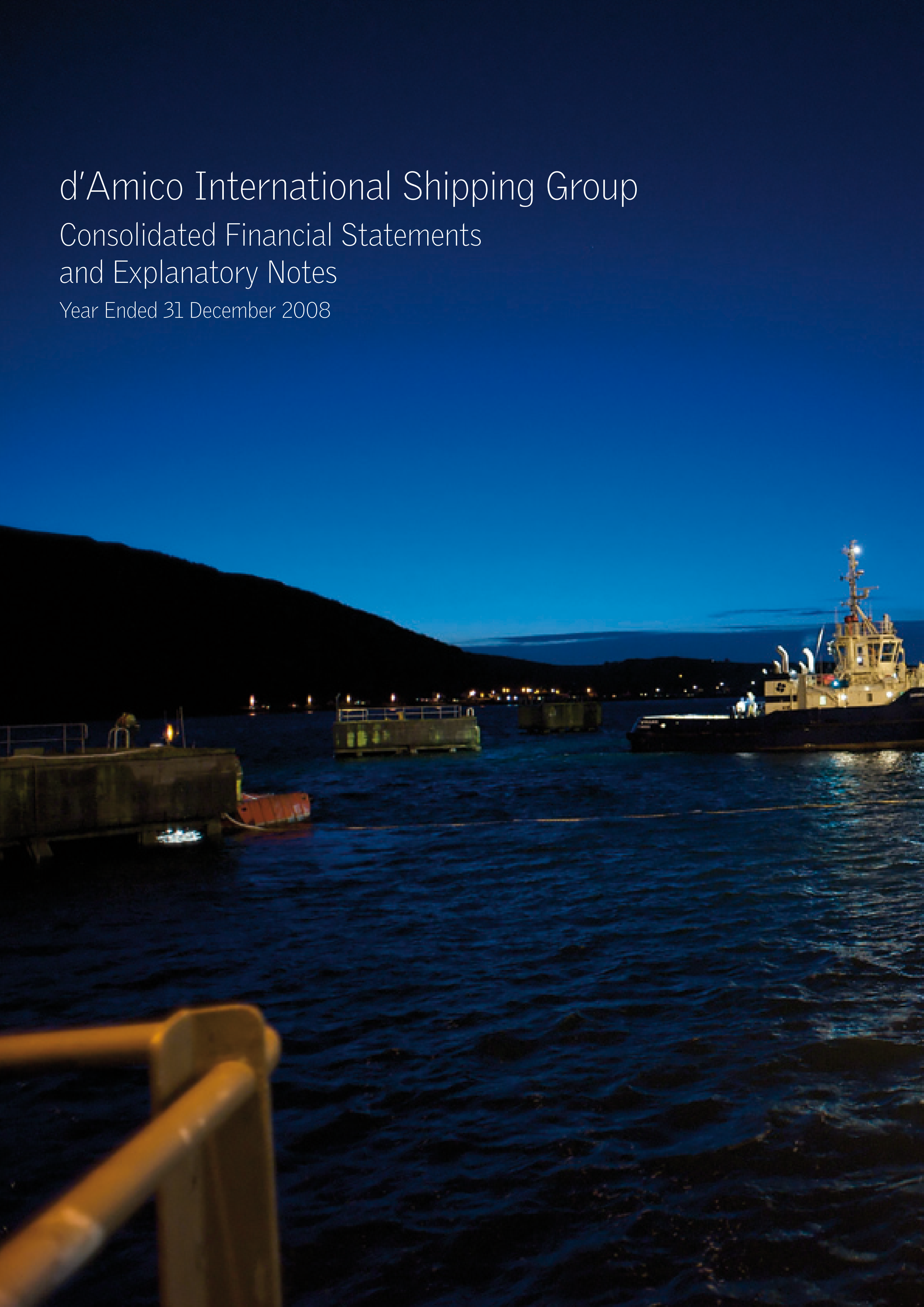
Provision of Articles 36 & 39 of the Italian Market Regulations

The Company - according to the provisions of article 36, paragraph 1, letter b) and c) and paragraph 2, of the Consob Regulation in force implementing the provisions on Markets, although the above provisions are not applicable to the Company - obtained from its controlled subsidiaries established and regulated under the law of non-European Union countries and considered relevant as per the Consob Regulation in force implementing the provisions on Issuers both the relevant articles of association and the composition and powers of their controlling bodies. Moreover, the Company duly assessed that the above mentioned companies have adopted an internal audit system adequate for the regular submission to the management and to the auditors of the Company of the economic and financial data necessary for the compilation of the consolidated financial statements of the Company and so that the Company's auditor can perform its annual audit interim review of the accounts of the Company.

d'Amico International Shipping Group

Consolidated Financial Statements and Explanatory Notes

Year Ended 31 December 2008




NO SMOKING
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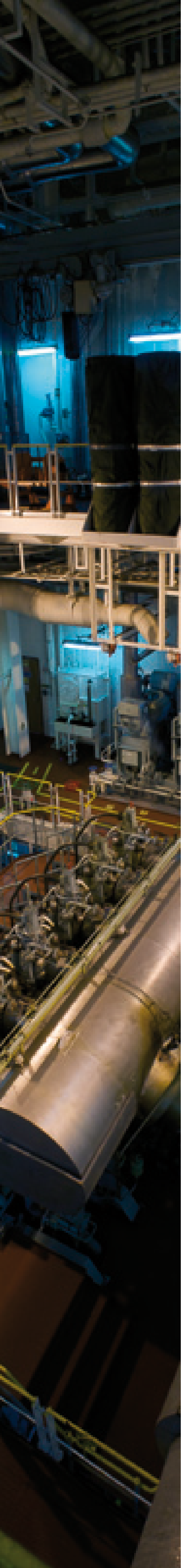
Consolidated Income Statement

(US$ Thousand)	Note	2008	2007
Revenue	(4)	323,984	310,260
Voyage costs	(5)	(72,368)	(58,575)
Time charter equivalent earnings	(6)	**251,616**	**251,685**
Time charter hire costs	(7)	(82,248)	(92,352)
Other direct operating costs	(8)	(46,102)	(34,647)
General and administrative costs	(9)	(24,291)	(22,408)
Other operating income	(10)	3,821	3,767
Result on disposal of vessels	(11)	105,621	-
Gross operating profit		**208,417**	**106,045**
Depreciation		(36,690)	(29,507)
Operating profit		**171,727**	**76,539**
Net financial income (charges)	(12)	(16,050)	(10,950)
Profit before tax		**155,677**	**65,589**
Income taxes	(13)	(665)	9,492
Net profit		**155,012**	**75,081**
The net profit is entirely attributable to the equity holders of the company			
Earnings per share		**1.034**	**0.501**
Diluted earnings per share[1]		**1.016**	**0.492**

[1] Diluted earnings per share have been calculated assuming the issue of the total number of new shares provided by the share options plan (2,661,774)

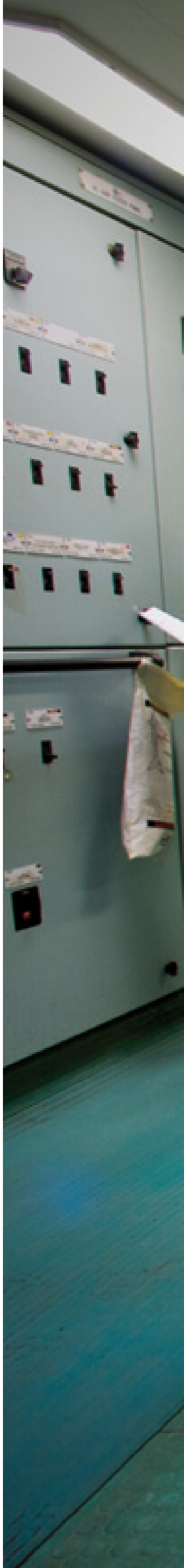


Consolidated Balance Sheet

(US$ Thousand)	Note	As at 31 December 2008	As at 31 December 2007
ASSETS			
Non current assets			
Tangible assets	(14)	531,271	430,605
Financial fixed assets	(15)	4	4
Total non current assets		**531,275**	**430,609**
Current assets			
Inventories	(16)	7,010	9,300
Receivables and other current assets	(17)	34,108	35,863
Current financial receivables	(18)	110,279	-
Cash and cash equivalents	(19)	41,482	24,926
Total current assets		**192,879**	**70,090**
Total assets		**724,154**	**500,699**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		149,950	149,950
Retained earnings		195,661	75,081
Other reserves		42,228	57,658
Total shareholders' equity	(20)	**387,839**	**282,689**
Non current liabilities			
Banks and other lenders	(21)	271,666	178,482
Total non current liabilities		**271,666**	**178,482**
Current liabilities			
Banks and other lenders	(21)	5,784	-
Other financial current liabilities	(22)	16,546	4,355
Payables and other current liabilities	(23)	41,959	35,100
Current taxes payable	(24)	360	73
Total current liabilities		**64,649**	**39,528**
Total liabilities and shareholders' equity		**724,154**	**500,699**

Consolidated Cash Flow Statement

(US$ Thousand)	2008	2007
Net profit	**155,012**	**75,081**
Depreciation and amortisation	36,690	29,507
Current and deferred income tax	665	(9,492)
Financial charges	16,050	10,950
Profit on disposal of fixed assets	(105,621)	-
Other non-cash items	5,022	3
Cash flow from operating activities before changes in working capital	**107,818**	**106,048**
Movement in inventories	2,290	(4,087)
Movement in amounts receivable	1,756	3,286
Movement in amounts payable	1,064	10,159
Taxes paid	(300)	(5,010)
Interest paid	(9,946)	(12,509)
Net cash flow from operating activities	**102,682**	**97,887**
Acquisition of fixed assets	(247,743)	(84,458)
Proceeds from the disposal of fixed assets	215,995	1,914
Acquisition of investments	-	(4)
Net cash flow from investing activities	**(31,748)**	**(82,548)**
Repayment in amounts due from parent company	-	(38,914)
Share capital increase	-	92,416
Other changes in shareholders' equity	1,082	1,271
Treasury Shares	(4,481)	(11,199)
Movement in other financial payables	12,324	-
Movement in other financial receivable	(110,279)	-
Bank loan repayments	(193,020)	(316,400)
Bank loan draw-downs	274,269	293,482
Dividend paid	(34,273)	(25,000)
Net cash flow from financing activities	**(54,378)**	**(4,344)**
Change in cash balance	**16,556**	**10,994**
Net increase / (decrease) in cash and cash equivalents	**16,556**	**10,994**
Cash and cash equivalents at the beginning of the period	24,926	13,932
Cash and cash equivalents at the end of the period	**41,482**	**24,926**



Statement of Changes in Consolidated Shareholders' Equity

(US$ Thousand)	Share capital	Retained earnings	Other reserves	Total
Balance as at 1 January 2008	**149,950**	**75,081**	**57,658**	**282,689**
Dividend paid	-	(34,273)	-	(34,273)
Other changes	-	(159)	(10,949)	(11,108)
Treasury Shares	-	-	(4,481)	(4,481)
Profit for the period	-	155,012	-	155,012
Balance as at 31 December 2008	**149,950**	**195,661**	**42,228**	**387,839**

(US$ Thousand)	Share capital	Retained earnings	Other reserves	Total
Balance as at 1 January 2007	**159**	**154,367**	**(536)**	**153,990**
Initial paid in capital	35	-	-	35
Dividend paid	-	(25,000)	-	(25,000)
Share capital increase	149,807	(128,814)	71,389	92,382
Other changes	(51)	(553)	(1,996)	(2,600)
Treasury Shares	-	-	(11,199)	(11,199)
Profit for the period	-	75,081	-	75,081
Balance as at 31 December 2007	**149,950**	**75,081**	**57,658**	**282,689**

Explanatory Notes

The financial statements have been prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The d'Amico International Shipping Group has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and endorsed by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee 'SIC'.

The d'Amico International Shipping Group has adequate resources to continue in operational existence for the foreseeable future, accordingly, the financial statements have been prepared on a going concern basis.

The financial statements' are expressed in U.S. Dollars, being the functional currency of the Group.

1. Accounting Policies

The principal accounting policies, which have been consistently applied, are set out below.

Basis of Consolidation

The financial statements present the results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the year ended 31 December 2008. d'Amico International Shipping S.A. was incorporated under Luxembourg law on 9 February 2007 and, following a reorganisation of the entities under d'Amico Group control, it acquired the shares of d'Amico Tankers Limited, comprising the tanker activities of the d'Amico Group. The results therefore include those of the entities forming part of the d'Amico International Shipping Group following the reorganisation and starting from January 2007, which represents the date when control was effectively transferred.

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – Consolidated and Separate Financial Statements. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The assets and liabilities of the parent and subsidiary companies are consolidated on a line-by-line basis and the carrying value of the investments held by the parent company and other consolidated subsidiaries is eliminated against shareholders' equity. Intra-group balances and transactions, and gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements, as well as unrealised gains and losses from intra-group operations. Minority interests and net profit attributable to minorities, if any, are listed separately from the Group's equity, on the basis of the percentage of net Group assets they possess.

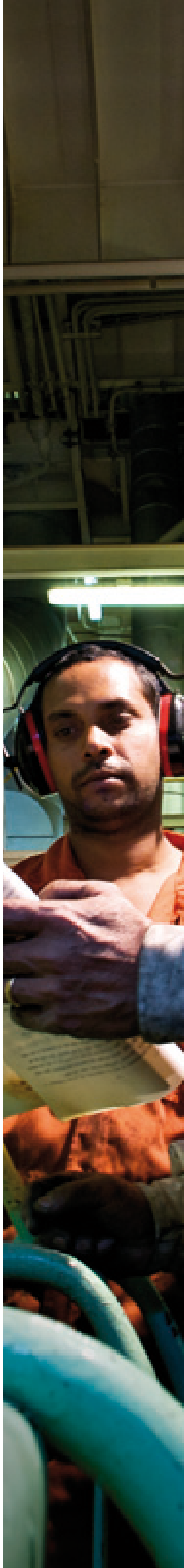
Jointly Controlled Entities

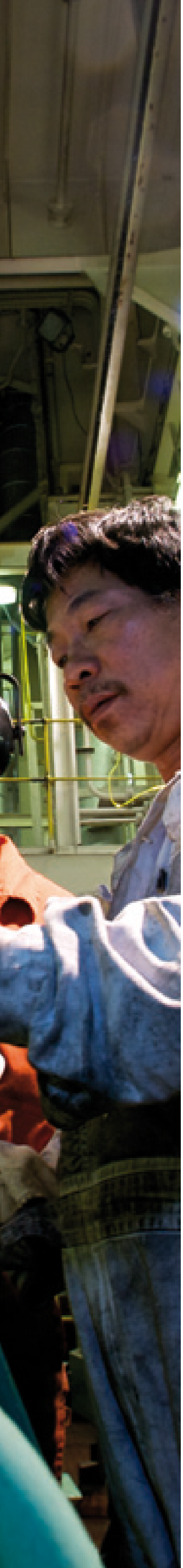
Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IAS 31 – Interests in Joint Ventures. The consolidated financial statements include the assets and liabilities, revenue and costs of jointly controlled on a proportional basis, based on the Group's share.

Foreign Currencies

Most of the Group's revenues and costs are denominated in U.S. dollars, which is the functional currency of the Group. Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the balance sheet date. All exchange differences have been accounted for in the income statement.

In the consolidated financial statements, the income statements of subsidiaries, which do not report in U.S. Dollars, are translated at the average exchange rate for the period, whereas balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising on the translation of financial statements into U.S. Dollars are recognized directly in equity.





Revenue Recognition

All freight revenues from vessels are recognised on a percentage of completion bases. The discharge to discharge basis is used in determining percentage of completion for all spot voyages and voyages servicing contracts of affreightment (COAs). Under this method, the freight revenue is recognised over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. The departure date is defined as the date of the most recent discharge, and the voyage ends at the date of the next discharge ('discharge to discharge').

For voyages in progress at the end of a reporting period the Group recognizes a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the balance sheet date. The estimate of revenue is based on the expected duration and destination of the voyage. Revenues from time charter contracts are recognised at pro rata tempora basis over the rental periods of such charters, as service is performed.

Participation in Pools

d'Amico International Shipping generates a significant portion of its revenue through pools. The total pool revenue is generated from vessels contributed to pools in which the Group participates, deriving from spot voyages, COAs and time charter contracts.

The pool companies are considered as jointly controlled operations and the Group's share of the income statement and balance sheet in the respective pools is accounted for by recognizing the related interests share, based on participation in the pool. The Group's share of the revenues in the pools is dependent on the number of days the Group's vessels have been available for the pools in relation to the total available pool earning days during the period, as adjusted by share of pool points, where applicable.

The pool legal entities that are fully controlled are consolidated on a line by line basis, while the revenue received from the participation in the Handytankers Pool, whose legal entity is not controlled by d'Amico International Shipping S.A., is accounted for on a time charter equivalent basis and is net of voyage costs and fees associated with the pool. The investment in Handytankers K/S is shown at cost.

Demurrage Revenues

Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage revenues, recognized upon delivery of service in accordance with the terms and conditions of the charter parties, represent the compensation estimated for the additional time incurred for discharging a vessel. Revenue received from demurrage is recognised at the completion of the voyage. These revenues are accounted for net of any provision made in respect of demurrage claims where full recovery is not anticipated.

Voyage Costs and Other Direct Operating Costs

Voyage costs (Port expenses, bunker fuel consumption and commissions) are incurred in connection with the employment of the fleet on the spot market and under COAs (contracts of affreightment). Voyage expenses are recognized as incurred. Time Charter hire rates paid for chartering in vessels are charged to the income statement on an accruals basis. Vessel operating costs such as crew, repairs, spares, stores, insurance, commercial fees and technical fees are charged to the income statement as incurred. The cost of lubricants is based on the consumption in the period.

General and Administrative Costs

Administrative expenses, which comprise administrative staff costs, management costs, office expenses and other expenses relating to administration, are expensed as incurred.

Financial Income and Charges

Financial income and charges include interest, realized and unrealized exchange rate differences relating to transactions in currencies other than the functional currency, and other financial income and charges, including value adjustments of certain financial instruments not accounted for as hedging instruments. Interest is recognized in accordance with the accrual basis of accounting using the effective interest method.

Taxation

The current taxation of the holding company d'Amico International Shipping S.A. and certain subsidiaries (service companies) is based on taxable income for the year using local tax rates that have been enacted at the balance sheet date. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or deductible.

The key operating company of the Group, d'Amico Tankers Limited (Ireland), is taxed under the Irish Tonnage Tax regime in respect of all eligible activities. Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation, but is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The tonnage tax charge is included within the income tax charge in the Consolidated Income Statement. For all of the Irish activities, which fall outside tonnage tax, income tax expense represents the tax charge based on the result for the year adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates enacted or substantially enacted at the balance sheet date. Certain minor activities will not fall within the tonnage tax regime and are subject to standard rates of local corporation tax (currently 12.5% on trading income, and 25% on interest income, with non-tonnage tax capital gains being taxable at the rate of 22%). These activities will also give rise to deferred tax assets and liabilities.

Deferred tax, if any, represents tax the group is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the balance sheet liability method. Liabilities relating to deferred tax are generally recognised for all taxable temporary differences. Assets relating to deferred tax are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled or the asset realised. It is charged or credited in the income statement, unless it relates to items charged or credited directly to equity, in which case the deferred tax is also accounted for in equity.

Fixed Assets (Fleet)

Vessels

The owned vessels are shown on the balance sheet at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost of the vessels as well as other costs which are directly attributable to the acquisition or construction of the vessel, including interest expenses incurred during the period of construction based on the loans obtained for the vessels.

Depreciation is calculated on a straight-line basis to the estimated residual value over the estimated useful life of the major components of the vessels. The new vessels contracted by the group are estimated to have a useful economic life generally of 17 years, depending on the specifications and expected kind of employment. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the current market scrap value per ton, which is reassessed every year. The vessel tank coatings are depreciated over ten years and the dry dock element is depreciated over the period to the expected first dry dock. The remaining useful economic life is estimated at the date of acquisition or delivery from the shipyard and is periodically reassessed.

Vessels in the course of construction (new buildings) are shown at cost less any identified impairment losses. Costs relating to new buildings include instalment payments made to date, and other vessel costs incurred during the construction period including capitalised interest. Depreciation commences upon vessel delivery.

The gains or losses incurred on the disposal of vessels are recognized when the significant risks and rewards of ownership of the vessel have been transferred to the buyer, and these are measured as the sale price net of costs relating to the disposal and the carrying amount of the vessel.

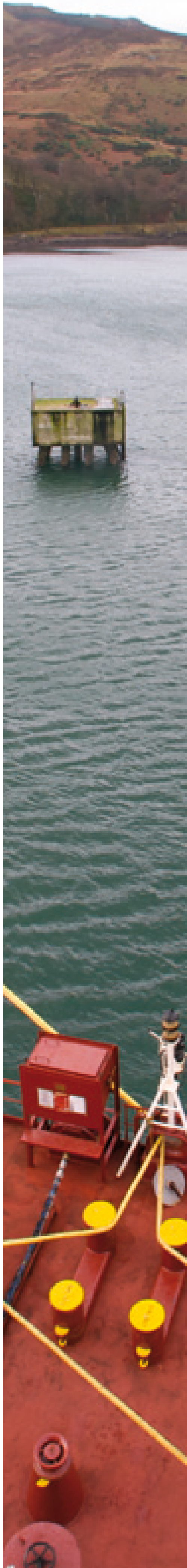
Dry-docking Costs

To comply with industry certification or governmental requirements, the vessels are required to undergo planned major inspections or classification (dry-docking) for major repairs and maintenance, which cannot be carried out while the vessels are operating. The vessels' dry-dock takes place approximately every 30 months, depending on the nature of work and external requirements. The costs of dry-docking, which may include some related costs, are capitalised and depreciated on a straight-line basis over the period to the next dry-docking. If the next dry-docking of a vessel is performed in less than 30 months from the last dry-docking date, the balance on the original dry-dock is written off.

For new buildings and other vessels acquired, the initial dry-docking asset is segregated and capitalized separately. The cost of such assets is estimated based on the expected costs related to the first dry-docking.

Impairment of Assets

The values of the vessels are periodically reviewed considering market conditions. The carrying amount of the vessels is tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Recoverable amount is normally defined as the higher of an asset's fair value less costs to sell and its value in use, that is, the net present value of the cash flow from its remaining useful life. In assessing value in use the estimated future cash flow from its remaining useful life are discounted to their present value. Write down is made for any impairment of vessels. An impairment loss recognised in prior years is reversed if the current estimated value in use is higher than at the time the impairment loss was recognised.



Management judgment is critical in assessing whether events have occurred that may impact the carrying value of our vessels, and in developing estimates of the future cash flow, future charter rates, ship-operating expenses, and the estimated remaining useful lives and residual values of the vessels. These estimates are based on historical trends as well as future expectations.

Operating Leases (Charter Agreements)

The charter-in and charter-out agreements relating to the vessels, where substantially all the risks and rewards of ownership are not transferred to the lessee, are treated as operating leases, and lease payments and income are recognized to the income statement on a straight-line basis over the lease term. The obligation for the remaining lease period relating to the charter-in contracts is disclosed as a commitment in the notes to the financial statements.

Inventories

Inventories relate to Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) and Luboil on board vessels. IFO and MDO inventories of fuel on board the vessels are shown at cost calculated using the first in first out method, while Luboil inventories represent their estimated replacement cost.

Financial Instruments

Financial instruments, i.e. contracts giving rise to financial assets and financial liabilities or equity instruments of another entity, as defined in IAS 32 (Financial Instruments: Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement), are recognized at their fair value when the Group becomes party to the contractual provisions of the instrument (trade date). Liabilities are classified in accordance with the substance of the contractual arrangement from which they arise and the relevant definitions of a financial liability. For contracts negotiated at market price, the fair value of the instrument is equivalent to the purchase cost (nominal value of the transaction). The external costs and income from transactions directly attributable to the negotiation, such as intermediation costs, are included during initial recognition of the instrument, unless measured at fair value. The measurement of financial assets is performed, depending on the characteristics of the instrument, at fair value or on the basis of amortized cost. Financial liabilities are measured on the basis of amortized cost. The measurement at fair value is applied only to any financial liabilities held for trading and to the derivative financial instruments. The 'fair value' is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The measurement on the basis of amortized cost involves the recognition of the asset or liability at the measurement value initially recognized, deducting any redemption of equity, increased or decreased by overall depreciation, applying the effective interest method, on any difference between the initial value and that at maturity. These amounts shall in any case be adjusted following a decrease of value or an irrecoverable condition. The effective interest rate is the rate that reduces at source the future contractual cash flows to the net amount of the financial asset or liability. The calculation also includes the external expenses and income directly assigned during initial recognition of the financial instrument. As to instruments for which no expense or income to be capitalized is identified, the amortized cost equals actual cost, as the effective interest rate is represented by the nominal interest rate.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Trade and Other Receivables

Receivables arising from outstanding freight are initially measured at their nominal value (representative of the 'fair value' of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and recognised in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Particularly with regard to short-term trade receivables, considering the scarce significance of the period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, current accounts and deposits held on demand with banks, and other short-term highly liquid investments readily convertible to a known amount of cash within six months from inception and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Banks and Other Lenders

Interest-bearing bank loans relating to the financing of the vessels and overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Trade and Other Payables

Trade and other payables are measured at amortized cost which, considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

Derivative Instruments

Derivative financial instruments are primarily used to hedge the exposure to interest rate risks (interest rate swap) and currency fluctuations. Forward currency contracts used to partially hedge exposure on the vessel purchase options denominated in Japanese yen), in accordance with IAS 39 (derivative financial instruments) qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated. All derivative financial instruments are measured in accordance with IAS 39 at fair value. They are initially recognized at cost and subsequently stated at fair value as other receivables or other liabilities respectively. When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

Cash flow hedge - These are derivatives to hedge exposure to fluctuations in future cash flows arising in particular from risks relating to changing interest rates on loans or currency risks relating to Yen loans and commitments. Changes in the fair value of the 'effective' portion of the hedge are recognized to equity while the ineffective portion is recognized in the income statement. Hedge effectiveness, i.e. its ability to adequately offset fluctuations caused by the hedged risk, is periodically tested, in particular analysing correlation between the 'fair value' or the cash flows of the hedged item and those of the hedging instrument.

Fair value hedge - Hedging instruments fall within this classification when used to hedge changes in the fair value of an asset or liability that are attributable to a specific risk. Changes of value related both to the hedged item, in relation to changes caused by the underlying risk, and to the hedging instrument are recognised to the income statement. Any difference, representing the partial ineffectiveness of the hedge, therefore corresponds to the net financial effect.

With regard to financial instruments that do not qualify for hedge accounting, changes arising from the fair value assessment of the derivative are recognized in the income statement.

Equity Compensation Plans (Share Based Payments)

The Group provides additional benefits to certain members of senior management through an equity compensation plan (stock option plan). In accordance with IFRS 2 – Share-based Payment, this plan represents a component of the recipient's remuneration. The compensation expense, corresponding to the fair value of the options at the grant date, is recognized in the income statement on a straight-line basis over the period from the grant date to the vesting date, with the offsetting credit recognized directly in equity.

The fair value is measured using the Black Scholes pricing model. The inputs used in the model are based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Provisions for Risks and Charges

Provisions for risks and charges are recognised when the Group has a present obligation as a result of a past event and it is likely that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present values where the effect is material.

Treasury Shares

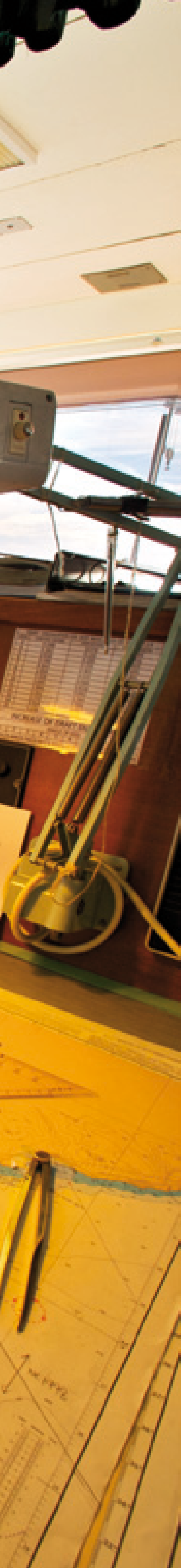
Treasury shares, following the buy-back program, are recognized at cost and are presented as a deduction from equity (under separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by shareholders' meeting.

Critical Accounting Judgments and Key Estimates

The preparation of the financial statements requires Management to make accounting estimates and in some cases assumptions in the application of accounting principles. The Directors' decisions are based on historical experience as well as on expectations associated with the realisation of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business. The key areas where this applies are listed below.



Vessel carrying values. The carrying value of vessels may significantly differ from their market value. It is affected by the management's assessment of the remaining useful lives of the vessels, their residual value and indicators of impairment. If the carrying value of vessels exceeds the recoverable amount then an impairment charge is recognised.

Tax liabilities. The tax liabilities are calculated based on our tax situation as affected by the regulatory frameworks of the jurisdiction in which we operate. The liability for tax may be affected by changes in the treatment or assessment of trading income, freight tax, tonnage tax and value added tax.

Segment Information

d'Amico International Shipping only operates in one business segment: Product Tankers. With reference to geographical area, the Group only has one geographical segment, considering the global market as a whole, and the fact that individual vessels deployment is not limited to a specific area of the world. As a result, no segment information is needed.

New Accounting Principles

Accounting Principles adopted from 1st January 2008

There are no new International Financial Reporting Standards or IFRICs from 1st January 2008 applicable to d'Amico International Shipping with respect to the ones used for the 2007 year end closing.

Accounting Principles, Amendments and Interpretations not yet effective

The following is the list of the relevant and applicable standards in issue but not in force at 31 December 2008.

On 29 March 2007 the IASB issued a revised version of IAS 23 – Borrowing costs. The standard shall be applied for annual period beginning after 1 January 2009. The main change is that it will be mandatory to capitalise borrowing costs incurred on qualifying assets, removing the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard shall be applied to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after the 1 January 2009. The Group accounting policy has been in compliance with this standard since the inception of the group effective 1st January 2007.

On 6 September 2007 the IASB issued a revised version of IAS 1 - Presentation of Financial Statements that will come into effect for the annual periods beginning on or after 1 January 2009. The revision is aimed at improving users' ability to analyse and compare the information given in financial statements. The changes made to the standard are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner' changes (such as transactions with third parties).

On May 2008 the IASB finalized its annual improvements project, making changes (amending) to a wide range of existing standards, which will come into force for accounting periods commencing or on after 1 January 2009. None of the planned changes is expected to have a significant effect on the consolidated financial statements.

2. Risk Management

The d'Amico International Shipping S.A. (DIS or the Group) activities expose it to a variety of financial risks and the risk management is part of the d'Amico International Shipping strategy. The shipping industry is highly sensitive to market fluctuations, which can determine significant fluctuations in freight rates and tonnage prices. The overall risk management aim is to reduce the DIS's earnings exposure to cyclical fluctuations.

Market Risk

DIS and its subsidiaries are exposed to market risk principally in respect of vessels trading on the spot market earning market rates. In particular, when chartering in vessels hire rates may be too high to turn out profitable and, conversely, when chartering-out vessels the hire rates may be too low to ensure an adequate return. The following risk management strategies are applied: (i)The Group aims to have a fixed contract coverage between 40-60%, thus ensuring the exposure to the spot market does not exceed 60%, depending on the market conditions, the trend of rates and expectations; (ii) The vessel trade partially in Pools to reduce the impact of specific risk affecting an individual vessel; (iii) The vessel trade on a worldwide basis to reduce the effect of different market conditions and rates of different routes between the Eastern and Western hemisphere; (iv) The Group directly or via its pools enters into contracts of affreightment (COA) at fixed rates, which involve the shipment of an agreed number of future cargoes at fixed rates. DIS/DTL do not normally use derivative financial instruments to manage their exposure to vessel spot market rates.

Technical and Operational Risks

The Group is exposed to operating costs risk arising from the variable costs of vessel operations. The key areas of operating cost risk are crew costs, bunkers, dry dock and repair costs and insurance. The Risk management includes the following strategies: (i) The crew policy is coordinated through the support of d'Amico group, to have synergies and economies of scale, making reference to the d'Amico expertise in crewing (training school, company specialised in this kind of service), looking on the opportunities available in different area to keep the high crew quality, but controlling the costs; the Safety & Quality Department (SQE), whose focus is to ensure that the vessels and its staff comply fully with external requirements such as regulatory requirements and certifications, etc.; (ii) DIS/DTL, excluding some very limited transactions periodically carried out at Handytankers Pool, do not use derivative financial instruments to manage the exposure to bunker prices; (iii) Dry dock contracts – The technical management, which also includes dry-dock, is also coordinated through the support of d'Amico group, allowing economies of scale when dry docks have to be arranged and related level of cost/quality have to be measured. Similarly for repair costs.

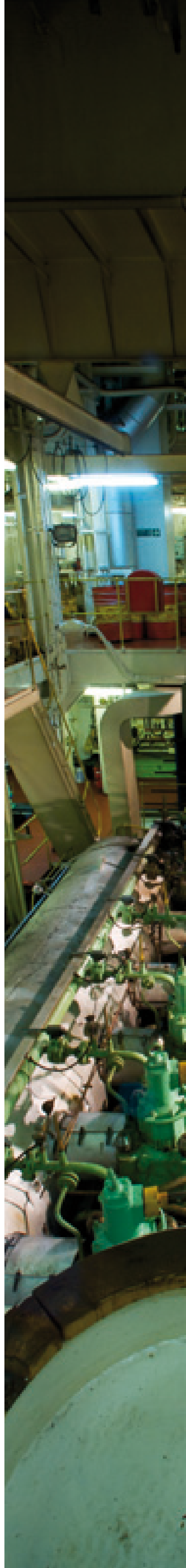
The policy to keep a young fleet also helps to minimize the risk; (iv) Fleet insurance – Various casualties, accidents and other incidents may occur in the course of the vessels operation, which may result in financial losses taking also into consideration the number of national and international rules, regulations and conventions. In order to reduce or eliminate any financial loss and/or other liability that it might incur in such a situation, the fleet is insured against various types of risk. The total insurance program provides a large cover of risk in relation to the operation of vessels and transportation of cargos, including personal injury, environmental damage and pollution, third-party casualty and liability, hull and engine damage, total loss and war; (v) Piracy risks – As a result of the increase in the number of armed attacks in water off the coast of Somalia, particularly in the Gulf of Aden it has been established a double set of countermeasures in order to: (a) Minimize the risk during the transit in the Aden area and make the navigation safer; (b) Check the suitability of the insurance structure currently in force as to ensure that the events arising out from the particular situation are duly covered. Some precautions to be applied by the vessels as well as some external contacts/assistance to be managed from the office have been implemented. A detailed analysis of the situation has allowed DIS/DTL, together with the d'Amico group, to prepare guidelines to be followed by any vessel while in the risk zone. Moreover, in order to get as much information as possible and be kept updated on the issue, the monitoring of the websites dedicated to the piracy problem is done. On the potential insurance issue, DIS/DTL ascertained that the main risks inherent to piracy, are included into our covers, as follows: (a) Loss of or damage to the vessel due to piracy attacks – This risk is covered under the Hull & Machinery policy, according to what provided at clause 6.5 "Perils" of the Institute Time Clauses Hulls, 1/10/83, where piracy is one of the named perils; (b) Ransom - Ransom payments tend to be treated as sue and labour expenses when only Hull Insurers are involved or as a general average, thus involving also cargo interests, when vessels are laden; (c) Loss of hire - Piracy is included among the covered risks, irrespective of whether the vessel has suffered damage or not due to the pirates' attack; (d) Third parties liabilities - Our P&I cover protects from unjustified third-party claims and indemnifies legitimate claims.

Foreign Exchange Risk

The Group is exposed to currency risk in respect of transactions denominated in currencies other than U.S. Dollars – being the company functional currency –, principally Euros and Yen. In particular, DIS (through its operating sub subsidiary d'Amico Tankers Ltd. – Ireland) has JPY denominated borrowings, vessels under constructions to be paid in JPY and a number of vessel purchase options denominated in Yen that are potentially exercisable over the next few years and. The following risk management strategies are applied: (i) Policy to hedge the JPY loan exposure, depending on the foreign exchange market conditions and expectations; (ii) Based on the due dates relating to the instalments for the vessels under constructions to be paid in JPY and if current exchange rates are considered favourable, then a forward currency contract is used to hedge the expected JPY price for the period to the expected due date; (iii) When the exercise of a purchase option is considered to be likely (based on the remaining time to exercise and the exercise price) and if current exchange rates are considered favourable then a forward currency contract is used to hedge the expected Yen price for the period to the expected delivery date; (iv) Where possible the group transacts in US Dollars; (v) In the case that dividends are declared and paid in Euro, the amount payable is hedged by the holding of a specific Euro balance.

Interest Rates

The Group is exposed to interest rate risk arising from the fact that the credit facilities and bank deposit earn interest at a variable rate. The risk management strategies provide that: (i) A portion of the DIS/DTL facilities if fixed using Interest rate swap (IRS) agreements. The agreements are classified as a hedge for accounting purposes (IAS39) and the effective portion of the gain or loss on the hedging instrument will be recognised under equity. Management consider that by fixing a proportion of the loan interest this will improve the visibility of future interest costs, at a level considered appropriate for the business and allowing DIS/DTL to reduce the risk of significant fluctuations in interest rates. To comply with the ongoing requirements of hedge accounting the effectiveness of the hedge is reviewed and confirmed on a quarterly basis; (ii) Management continuously review interest rates available in the market to ensure the facilities are competitive.



Liquidity Risk

The Group is exposed to liquidity risk from the possible mismatch between cash requirements, principally for vessel purchase and credit facility repayments and group cash flows. To minimise this risk, DIS/DTL maintain adequate facilities and standby credit lines to meet forecast expenditure. Management regularly reviews group facilities and cash requirements.

Credit Risk

The Group is exposed to credit risk resulting from the possible non performance of any of its counterparties, primarily customers, agents and joint venture partners. To minimise the risk DIS/DTL have the following risk management strategies: (i) The management of this risk includes that the customer's portfolio is essentially made up of a large base of oil majors, chemical multinational companies, with lower risk. The outstanding receivables are reviewed on a timely basis. The recovery of demurrage claims and charter expenses is followed by a dedicated team. Historically DIS has not experienced significant losses on trade receivables; (ii) Suppliers: as far as services received are concerned (e.g. crew availability/management, technical services) and bunker, the payments are scheduled to minimise credit risk. As far the yards delivering the ships under construction, advance payments are covered by appropriate bank guarantee for the success of the deal; (iii) The relationships with agents are managed through an in-house team with significant experience.

Commencing in 2007, the Group also refers, for the payments to be made to the port agents, to DA Desk, a professional and external organisation specialised in managing the tasks; (iv) Pool partners: for High Pool and GLENDA Pool, responsibility for management of credit risks remains with the Group, while AP Moller Maersk are responsible for management of credit risk for the Handytankers; (v) Banks: the policy of the Company is to have relationships only with large banks with strong credit ratings, specialised in shipping and with first class reputation; (vi) Group reviews total exposure under agreements.

Fraud Risk

The Group is exposed to fraud risk resulting from the significant volume and value of transactions processed. To minimise the risk the DIS/DTL have the following risk management strategies: (i) Limits of powers and authority set for all individuals (e.g. power of attorneys restricted in object, limit amount for transactions); (ii) Controls over bank signatories (e.g. four eyes principle for specific transactions); (iii) Controls over tendering process; (iv) The internal audit function is operating, together with the Audit Committee; (v) The Company, due to Stock market in Star segment rules of Borsa Italiana, on 3rd May 2007, had to apply the Italian D.Lgs. 8 June 2001, n.231, which has introduced the administrative liability of the company and of other bodies for specific types of Crime committed by its directors or employees. Legislative Decree 231/2001 provides that companies are liable for those Crimes committed in the interests or for the benefit of the same by subjects holding a so called "top level" role. The Decree provides for the implementation of a compliance program that aims to develop an organic and structured system of procedures, rules and controls to be implemented both preventively (ex ante) and subsequently (ex post), in order to reduce and prevent in a material way the risk of commission of the different types of Crimes. DIS, on 12 March 2008, has formally adopted this Model of Organization and now is implementing specific operating procedures in order to prevent the commission of Crime.

3. Capital Disclosure

The d'Amico International Shipping Group ('DIS') objectives in managing capital are:

- To safeguard the Group's ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by operating the vessel in the spot/time charter contracts market balancing the level of the commercial risk.

The capital of the Group was established at the beginning of 2007 as part of the IPO process, taking into consideration the risks affecting d'Amico International Shipping and the industry where the Group operates. The capital structure, other than the Equity principally consists of the US$ 350 million revolving facility arranged by Calyon and of the JPY 10 billion facility arranged by Mizuho Corporate Bank Ltd.. In addition there also are loans in place at GLENDA International Shipping Ltd. level, the joint venture legal entity with Glencore Group, to finance the new building plan of that company, for a total committed amount of US$ 331 million. The capital structure is reviewed during the year and, if needed, adjusted, depending on the Group capital requirements, changes in the general economic conditions and industry risk characteristics.

The Group monitors its capital on the basis of the 'assets cover ratio' being the drawdown amounts on its facilities, over the fair market value of the vessels owned. The vessels are subject to mortgages and pursuant to the facilities, the ratio must not be higher than 66.6% for both the Calyon and Mizuho facilities.

At the end of 2008, due to the global economic turmoil also affecting the market value of the product tanker vessels, the ratio was of 37.4% for Calyon facility (23.1% at 31 December 2007) and, based on the valuations received in January, slightly higher than the ratio provided by the contract with reference to the Mizuho loan (about 73%). A repayment of the amount of about US$ 5 million is consequently expected to take place. The Group constantly monitors the debt to equity ratio, as additional measure of the leverage risk. At 31 December 2008, the ratio was of 0.37, an improvement with respect to the ratio of 0.55 as at 31 December 2007.

4. Revenue

(US$ Thousand)	2008	2007
Revenue	323,984	310,260

Revenue represents vessel income comprising time charter hire, freight, demurrage and income from participation in vessel pools.

5. Voyage Costs

(US$ Thousand)	2008	2007
Bunkers (fuel)	48,413	35,117
Commissions payable	5,917	6,159
Port charges	14,028	17,248
Other	4,010	51
Total	**72,368**	**58,575**

Voyage costs are operating costs resulting from the employment, direct or through our partnerships, of the vessels of our fleet, in voyages undertaken in the spot market and under Contracts of Affreightment. Time charter contracts are net of voyage costs.

6. Time Charter Equivalent Earnings

(US$ Thousand)	2008	2007
Time charter equivalent earnings	251,616	251,685

Time charter equivalent earnings represent revenue less voyage costs. In 2008 about 52% of the Time Charter Equivalent earnings came from fixed contracts (contracts longer than 12 months), as in 2007.

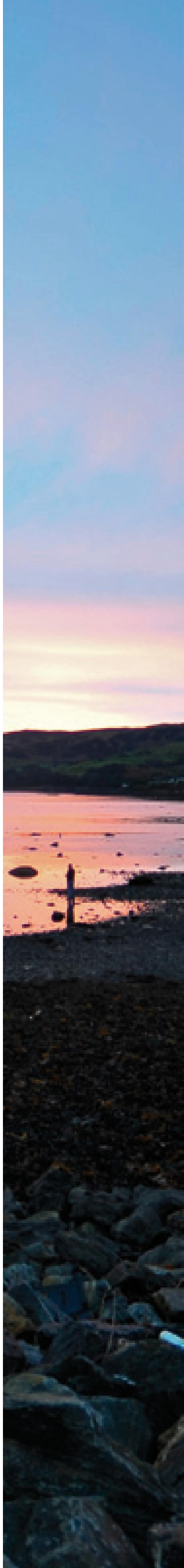
7. Time Charter Hire Costs

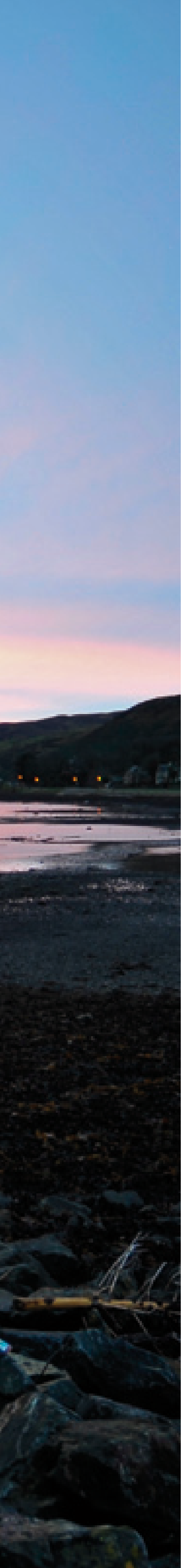
(US$ Thousand)	2008	2007
Time charter hire costs	82,248	92,352

Time charter hire costs represent the cost of chartering-in vessels from third parties.

8. Other Direct Operating Costs

(US$ Thousand)	2008	2007
Crew costs	21,715	15,761
Technical expenses	10,979	8,682
Technical and quality management	3,820	3,173
Other direct operating costs	9,588	7,031
Total	**46,102**	**34,647**





Other direct operating costs include charter in expenses, crew costs, technical expenses, technical and quality management fees, and sundry expenses originating from the operation of the vessel, including insurance costs.

Personnel

As at 31 December 2008, d'Amico International Shipping S.A. and its subsidiaries employed 366 seagoing personnel and 53 onshore personnel. The average number of employees was of 400 (2007: 400). Onshore personnel costs are included under general and administrative costs. The Group has no relevant liabilities with regard to pensions and other post retirement benefits.

9. General and Administrative Costs

(US$ Thousand)	2008	2007
Personnel	14,290	11,679
Other general and administrative costs	10,001	10,729
Total	**24,291**	**22,408**

Personnel costs relate to on-shore personnel salaries, including the amount of US$ 1.9 million (2007: US$ 1.8 million), representing the notional cost pertaining 2008 for share based option plan granted to senior management. The fair value is charged to the income statement on a straight-line basis over the period from the grant date to the vesting date. Further details of the plan are disclosed in note 20. Other than the share options, general and administrative costs include an amount of US$ 0.9 million (2007: US$ 0.8 million) relating to directors fees and an amount of US$ 4.4 million for senior managers including the CEO and other managers with strategic responsibilities.

The other general and administrative costs comprise consultancy, office rental fees, and other sundry expenses originating from the operation of d'Amico International Shipping group companies. They include also infra-group management fees on brand and trademark and IT services for US$ 0.8 million and the movement in the specific provision for bad debts of US$ 0.4 million.

10. Other Operating Income

(US$ Thousand)	2008	2007
Other operating income	3,821	3,767

Other operating income represents chartering commissions earned for services provided by group personnel to the Handytankers pool and to non-related external clients. The item also includes insurance receipts relating to claims in the period.

11. Result on Disposal of Vessels

(US$ Thousand)	2008	2007
Profit on disposal of vessels	105,621	-

The profit relates to the following vessels: M/T High Trust (US$ 21.9 million) and M/T High Peace (S$25.2 million) sold during the first half of the year. The remaining amount of US$ 58.5 million arises from the unconditional sale agreement of the M/T High Harmony and the M/T High Consensus, which was concluded in October 2008. Until the sale price is paid, which is expected to take place by the end of May 2009, the vessels have been delivered to the buyer under bareboat agreements. The bareboat earnings are recognised under financial income.

12. Net Financial Income (charges)

(US$ Thousand)	2008	2007
Loans and receivables:		
Interest Income – Banks	654	2,013
Financial income on the Bareboat agreement	1,208	-
At fair value through income account:		
Forward contracts	-	783
Total Financial Income	**1,862**	**2,796**
Loans and receivables:		
Interest expense – Related parties	-	(1,186)
Financial liabilities measured at amortised cost:		
Interest expense	(11,659)	(11,464)
At fair value through income account:		
Forward contracts	(1,447)	-
Other financial charges	(4,806)	(1,096)
Total financial charges	**(17,912)**	**(13,746)**
Net financial charges	**(16,050)**	**(10,950)**

Financial income comprises, other than interest income, the bareboat earnings relating to the two vessels (M/T High Harmony and M/T High Consensus) delivered in October 2008 following the unconditional sale agreement disclosed under the note 11.

Financial charges comprise interest expense on bank loans, fees paid to banks relating to bank loans, expense relating to swap arrangements, losses on foreign exchange derivative instruments and exchange differences, of which US$ 3.7 million relates to the conversion at the year-end rate of the existing loan in Japanese Yen. The forward foreign exchange contracts entered into by the Group in the second half of 2008 resulted in a net loss of US$ 1.4 million, finalised in connection with the first drawdown of the Mizuho facility in October. Forward foreign exchange contracts on 31 December 2007 resulted in a loss of US$ 0.8 million.

13. Income Taxes

(US$ Thousand)	2008	2007
Current income taxes	(325)	(677)
Deferred taxes	-	10,169
Other taxes	(340)	-
Total	**(665)**	**9,492**

Income taxes for the d'Amico International Shipping Group are attributable almost entirely to profits generated by the main operating subsidiary, d'Amico Tankers Limited, incorporated in Ireland.

Effective from 1 January 2007, d'Amico Tankers Limited qualified to be taxed under the Tonnage Tax regime in Ireland. The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2008 tonnage tax provision for d'Amico Tankers Limited amounted to US$ 0.2 million corresponding to an effective tax rate of less than 1% (2007: less than 1%). Entry into the regime resulted in 2007 in the reversal of the opening balance for deferred tax liabilities, amounting to US$ 10.1 million.

As dividends are not subject to the corporate income tax in Luxembourg, the holding company, d'Amico International Shipping S.A. had, at the end of 2008, accumulated tax losses to be carried forward of approximately Euro 15.5 million (US$ 21.6 million). The Luxembourg corporate income theoretical tax rate is of 30%. No deferred tax asset has been accounted for as the Company has no trading activity. The holding company is subject to the Luxembourg Net Wealth Tax regime; for 2008 the calculated net assets generated a tax charge of Euro 194,000 (US$ 339,000).

14. Tangible Assets

(US$ Thousand)	Fleet	Dry-dock	Other assets	Total
Cost				
At 1 January 2008	491,162	6,131	922	498,215
Additions	243,117	3,585	1,041	247,743
Impairment provision	-	-	-	-
Disposal	(113,535)	(2,020)	(1)	(115,556)
Exchange Differences	-	-	(20)	(20)
At 31 December 2008	**620,744**	**7,696**	**1,942**	**630,382**
Depreciation				
At 1 January 2008	65,577	1,898	135	67,610
Charge for the period	33,350	3,058	282	36,690
Disposal	(3,387)	(1,797)	(6)	(5,190)
Exchange Differences	-	-	1	1
At 31 December 2008	**95,540**	**3,159**	**412**	**99,111**
Net book value				
At 31 December 2008	**525,204**	**4,537**	**1,530**	**531,271**

The table below shows, for comparison purposes, the changes in the fixed assets in 2007.

(US$ Thousand)	Fleet	Dry-dock	Other assets	Total
Cost				
At 1 January 2007	411,428	3,050	2,042	416,520
Additions	79,738	3,798	922	84,458
Impairment provision	-	-	2	2
Disposal	-	(717)	(2,044)	(2,761)
Exchange Differences	(4)	-	-	(4)
At 31 December 2007	**491,162**	**6,131**	**922**	**498,215**
Depreciation				
At 1 January 2007	37,949	871	129	38,949
Charge for the period	27,628	1,744	135	29,507
Disposal	-	(717)	(129)	(846)
Exchange Differences	-	-	-	-
At 31 December 2007	**65,577**	**1,898**	**135**	**67,610**
Net book value				
At 31 December 2007	**425,585**	**4,233**	**787**	**430,605**

Tangible fixed assets are comprised of the following:

Fleet

Fleet includes the acquisition costs for owned vessels, and payments to yards for vessels under construction. Additions in 2008 principally relate to the exercise of purchase options over two vessels M/T High Peace, M/T High Harmony, M/T High Consensus and M/T High Presence previously chartered-in. M/T High Peace has been then sold in second quarter of 2008, while for M/T High Harmony and M/T High Consensus a sale agreement was concluded last October 2008, which provided that the vessels had been delivered to the buyer under bareboat agreements, until the payment of sale price (See note 11).

Mortgages are secured on 15 of the vessels owned by the Group. For further details see note 21.

Dry-Dock

Dry-docks include expenditure for the fleet's dry docking programme a total of five vessels dry-docked in the year.

Other Assets

Other assets include fixtures, fittings, office equipment and our software licence.

In view of the current financial turmoil, which is affecting the assessment of the vessel values, the carrying amount of the vessels has been reviewed to ensure they are not impaired. As disclosed in the accounting principles section, recoverable amount is defined as the higher of an asset's fair value less costs to sell and its value in use represented by the net present value of the cash flow from its remaining useful life. In assessing value in use, the estimated future cash flows from its remaining useful life are discounted to their present value.

For impairment test purposes, the management estimates, take into consideration the market information available, including reported sales of similar vessels, as well as future expectations, and have been based on the following key assumptions: (i) Earnings: under contracts recently concluded and the Clarkson estimate of future rates; (ii) Useful economic life of 25 years; (iii) Scrap value at end of life based on current rates; (iv) Costs reflect the current d'Amico structure; (v) The figures have been discounted based at a rate of 4%, which represents the current and expected profile of the Group's required weighted average cost of capital based on the current cost of financing and required rate of return on equity. An increase in the level of discount rate to 11% or a variance in daily income of up to 25% per year would have not affected the outcome of the impairment test. No impairment loss was recognized as the values in use are higher than the estimated fair value of the vessels. The total market value of the d'Amico International Shipping S.A. fleet, according to a valuation report provided by Clarkson, as at 16 January 2009, is of US$ 609.9 million, including the share of vessels under construction.

15. Financial Fixed Assets

Financial fixed assets, as at 31 December 2008 (US$ 4 thousand), represent the book value of the investment (33.3%) in Handytankers K/S, Handytankers K/S is the company operating the Handytankers pool, the agreement for Handy size vessels employment with the other pool partners A.P. Moller Maersk, Motia, Seaarland. As disclosed in the Subsequent events section, the investment has been sold after the year end to the other pool partners for an amount in line with book value.

16. Inventories

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Inventories	7,010	9,300

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) and luboils on board vessels.

17. Receivables and Other Current Assets

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Trade receivables	25,299	30,479
Other debtors	557	453
Prepayments and accrued income	8,252	4,931
Total	**34,108**	**35,863**

Receivables, as at 31 December 2008, include trade receivables amounting to US$ 25.3 million, net of the write down provision of US$ 0.5 million. Other current assets mainly consist of prepayments and accrued income amounting to US$ 8.3 million.

18. Current Financial Receivables

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Current financial receivable	110,279	-

The amount of US$ 110.3 million relates to the receivables due from the buyer in connection with the M/T High Harmony and M/T High Consensus sale, whose payment is now expected to take place by the end of May 2009.

19. Cash and Cash Equivalents

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Cash and cash equivalents	41,482	24,926

Cash and cash equivalents is mainly represented by short term deposits and includes approximately US$ 7.9 million of cash held by Pool companies (High Pool Tankers Ltd. and GLENDA International Management Ltd.) which will be distributed to other pool participants. The balance includes US$ 2.1 secured in connection with the Mizuho facility.

20. Shareholders' Equity

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Share capital	149,950	149,950
Retained earnings	195,661	75,081
Other reserves	42,228	57,658
Total	**387,839**	**282,689**

Share Capital

At 31 December 2008 the share capital of d'Amico International Shipping amounted to US$ 149 950 thousand, corresponding to 149 949 907 ordinary shares with no nominal value.

Retained Earnings

Include previous year and current profits.

Other Reserves

The other reserves include the following items:

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Share premium reserve	71,389	71,389
Treasury shares	(15,680)	(11,199)
Share option reserve	3,754	1,800
Fair value reserve	(16,546)	(4,356)
Other	(689)	24
Total	**42,228**	**57,658**

Share Premium Reserve

The share premium reserve arose as a result of the Group's IPO and related increase of share capital, which occurred at the beginning of May 2007. Certain costs and charges connected with the share capital increase and the listing process (mainly bank commissions and related advisory fees and charges) have been offset at that time.

Treasury Shares

Treasury shares consist of 4 390 495 ordinary shares for an amount of US$ 15.7million, corresponding to 2.93% of the outstanding share capital at the balance sheet date. These shares were acquired during the second half of 2007 and in the course of 2008, following the approval of the buy-back program.

Share Option Reserve

On 6 September 2007 the Company approved the grant of share options to senior management. The plan has a limited term of four years and may issue up to 2,631,775 shares in four tranches, as detailed below. In all cases the options will be issued at the 'strike' price of Euro 3.50. At the balance sheet date no options had been exercised yet.

Details of the plan are as follows:

	Tranche 1 2007	Tranche 2 2008	Tranche 3 2009	Tranche 4 2010	Total
Vesting date	1 October 2007	1 April 2008	1 April 2009	1 April 2010	
Chief Executive Officer	263,177	350,903	350,903	350,903	1,315,886
Chief Operating Officer	210,542	280,723	280,723	280,723	1,052,711
Chief Financial Officer	52,635	70,181	70,181	70,181	263,178
	526,354	**701,807**	**701,807**	**701,807**	**2,631,775**

From 2008, and thereafter, the options are initially exercisable for a period of three months commencing upon the approval of the prior year financial statements. Any options not previously exercised are accumulated and can be exercised in the following periods up to the end of the plan period on 31 July 2010. The options will be equity settled.

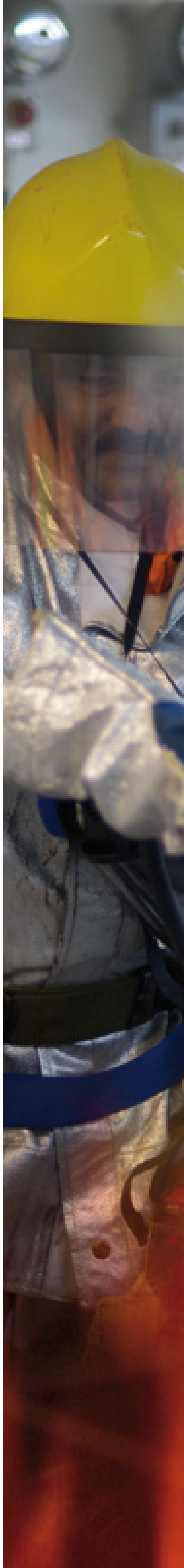
Details of the share options outstanding during the year are as follows:

	2008
Options outstanding at 1 Jan 2008	2,631,775
Options granted in the year	-
Options exercised in the year	-
Options outstanding at 31 December 2008	**2,631,775**
Exercisable at the end of the year	**1,228,161**

The total fair value of the options granted has been estimated at the granting date at Euro 3.2 million based on a fair value per option of Euro 1.23. The fair value was calculated using the Black Scholes option pricing model with the following assumptions:

Underlying Security	d'Amico International Shipping S.A.
Number of options granted	2,631,775
Vesting Period	4 tranches
Option strike price	Euro 3.5
Current share price (at granting date)	Euro 3.67
Plan termination date	31 July 2010
Implied volatility[1]	50%
Risk free rate	4.50%

The portion of the fair value in respect of the share option plan recognized under General and Administrative costs (Personnel) in 2008 was US$ 1.9million (2007: US$ 1.8 million). The same amount has been accounted for under other reserves.



[1] The volatility was determined in a range between 40-50%, considering the general stock market conditions and the industry

Fair Value Reserve

The fair value reserve arose as a result of the valuation of the Interest Rate Swap agreements connected to the Calyon facility to their fair value of US$ 16.5 million (liability). Details of the fair value of the derivative financial instruments are set out in note 25.

21. Banks and other Lenders

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Non current liabilities		
Banks and other lenders	271,666	178,482
Current liabilities		
Banks and other lenders	5,784	-
Total	**277,450**	**178,482**

The balance comprises the following debts:

(US$ Thousand)	As at 31 December 2008			As at 31 December 2007		
	Non current	Current	Total	Non current	Current	Total
Calyon	153,769	-	153,769	178,482	-	178,482
Mizuho	48,854	4,243	53,097	-	-	-
Commerzbank	29,160	-	29,160	-	-	-
Commerzbank-Credit Suisse	29,100	-	29,100	-	-	-
ST Shipping	10,783	1,541	12,324	-	-	-
Total	**271,666**	**5,784**	**277,450**	**178,482**	**-**	**178,482**

Calyon Facility

The debt due to banks and other lenders as at 31 December 2008 relates, for an outstanding amount of US$ 155 million (less the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 1.5 million), to the US$ 350.0 million revolving loan facility (of which US$ 303.5 million is available for draw-down as at 31 December 2008) negotiated by d'Amico Tankers Limited (Ireland) with Calyon and other banks (Intesa Sanpaolo SpA, Fortis Bank, Nederland, N.V., The Governor and the Company of the Bank of Ireland, Norddeutsche Landesbank Girozentrale, and Scotiabank Ireland Limited).

The key terms and conditions of the facility are the following: the principal amount available through the ten year facility period at any given time is reduced by US$ 15.5 million every six months down to a final reduction of US$ 40.0 million at maturity (2017). The ratio between the amount outstanding at any given time and the fair market value of the thirteen vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 66.6%. According to Clarksons, as at 16 January 2009, the valuation of these vessels is US$ 414.75 million, resulting in an asset cover ratio of 37.4%.

Interest will be payable at a rate of LIBOR plus 0.65%, if the asset cover ratio of d'Amico Tankers Limited and its consolidated subsidiaries is below 50%, and LIBOR plus 0.95%, if such ratio is equal to or higher than 50%.

In addition, the maximum amount that the borrower can drawdown also depends on its EBITDA to financial costs ratio. This ratio is calculated on the estimated total amount of d'Amico Tankers Limited's interest payable in the six months following any draw down date, and may not be lower than 1.65:1. The ratio is currently significantly higher than that. The following other usual covenants are in place: (i) Cash available, including undrawn credit lines of more than 12 months, must be at least US$ 40.0 million; (ii) Net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the balance sheet, must not be less than US$ 100.0 million; and (iii) Equity to asset ratio, calculated by dividing the book equity by total assets, must not be lower than 35.0%. As at 31 December 2008, according to the facility's definitions, cash available amounted to US$ 158.8 million, net worth amounted to US$ 387.3 million, and the equity to asset ratio was 63.1%.

The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides (i) As at 31 December 2008 mortgages on thirteen of the Group's owned vessels; (ii) Assignment in favour of the lenders of the time-charter agreements entered into by the Group; and (iii) Pledge over an account opened with Calyon S.A. into which the Group undertakes to pay the proceeds of its operating activities.

The outstanding loan facility has been shown entirely under long-term debt, since no amortization of the drawn-down amount is required and future facility reductions will not reduce availability over the next twelve months, below indebtedness outstanding as at 31 December 2008.

Mizuho Facility

On 30 September 2008 d'Amico Tankers Limited (Ireland) signed an agreement for a secured term loan facility of up to a maximum of 10 (ten) billion Yen. This deal has been arranged by the Mizuho Corporate Bank Ltd.., and has been syndicated by a pool of Japanese primary banks and leading financial institutions. The Loan Facility purpose is to finance the acquisition of Japanese product tanker vessels for which d'Amico Tankers Limited has purchase options and/or the acquisition of other product tanker vessels.

At 31 December 2008 the facility has been draw down for an amount of JPY 5.0 billion. The contract, over a period of ten years, provides the repayment of quarterly instalments corresponding to 1/52 of the outstanding debt and an interest cost corresponding to the three month London Interbank Offer Rate (LIBOR) for Japanese Yen, plus a margin of between 100 and 125 basis points depending on the financed vessels 'advance ratio'.

Similarly to the Calyon facility, the key terms and conditions of the Mizuho loan provide that the ratio between the amount outstanding at any given time and the fair market value of vessels (the 'advance ratio') owned by d'Amico Tankers Limited, which are subject to mortgages pursuant to the facility (currently two vessels), must not be higher than 66.6%. According to Clarksons, as at 22 January 2009, the valuation of the vessels amounted to US$ 74 million, resulting, when taken together with the movement in the US$/JPY exchange rate, a ratio of loan to valuation at the end of the year, of approximately 73%. A repayment of the amount of about US$ 5 million is consequently expected to take place to reduce the ratio.

As per Calyon facility, the maximum amount that d'Amico Tankers Limited can borrow also depends on the EBITDA to financial costs ratio, which may not be lower than 1.65:1. The ratio is currently significantly higher than that. Other covenants are the same provided by the Calyon facility: (i) Cash available, including undrawn credit lines of more than 12 months, must be at least US$ 40.0 million; (ii) Net worth not be less than US$100.0 million; and (iii) Equity to asset ratio not be lower than 35.0%. As at 31 December 2008, according to the loan's definitions, cash available amounted to US$ 158.8 million, net worth amounted to US$ 387.3 million, and the equity to asset ratio was 63.1%.

The facility is secured through a guarantee by the parent Company, d'Amico International Shipping, and provides (i) As at 31 December 2008 mortgages on two of the Group's owned vessels; (ii) Assignment in favour of the lenders of the proceeds arising from the financed vessels; and (iii) Pledge over an account opened with Mizuho into which the d'Amico Tankers Limited undertakes to pay the proceeds of the operating activities related to these vessels.

The outstanding loan facility shown under current liabilities relates to the instalments to be paid during 2009.

GLENDA International Shipping / Commerzbank Loan

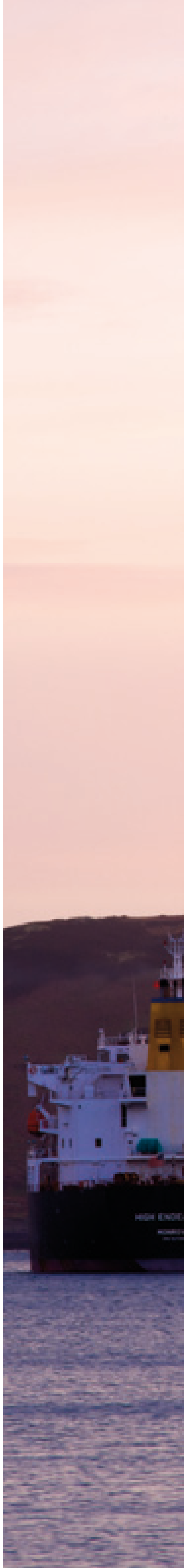
The balance of US$ 29.2 million refers to the consolidated part of the facility granted by Commerzbank AG Global Shipping – totalling US$ 136 million – for the GLENDA International Shipping Ltd., the company jointly controlled by d'Amico International Shipping S.A. and Glencore Group, four new-buildings 47.000 dwt MR Product Tankers (SLS Shipping Co - Korea).

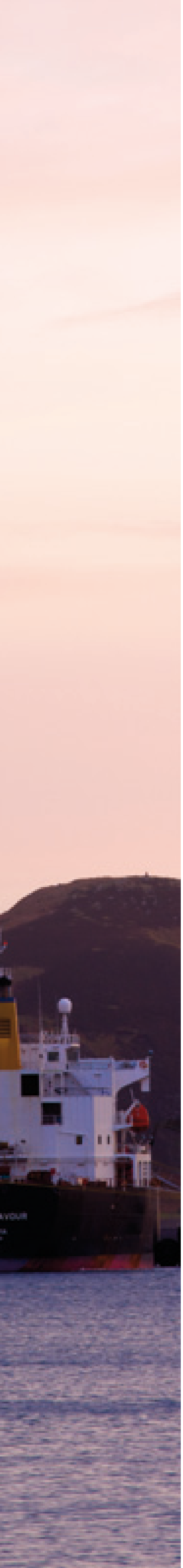
In December 2007, GLENDA International Shipping signed with Commerzbank AG - Global Shipping an agreement to finance yard payments for its four SLS vessels. The agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total amount of up to US$ 136.0 million (70% of the contract price to be paid for the vessels), and an interest cost referenced to the US dollar LIBOR plus a spread varying from 80 to 100 basis points, depending on the financed vessels 'value to loan' ratio. Collaterals mainly refer to first-priority mortgages on the vessels. The agreements also provide a covenant relating to the financed vessels' aggregate value-to-loan ratio, which should at all times be at least 125% during the first three years after delivery of each vessel and 135% thereafter.

GLENDA International Shipping Limited / Commerzbank – Credit Suisse Loan

The further amount of US$ 29.1 million refers to the facility granted by Commerzbank AG Global Shipping – and Credit Suisse totalling US$ 195 million - for the GLENDA International Shipping Ltd. six new-buildings 47.000 dwt MR Product Tankers (Hyundai Mipo Dockyard Co. Ltd. – Korea).

In June 2008, the JV company signed with Commerzbank AG - Global Shipping and Credit Suisse a further contract to finance yard payments for the above six Hyundai product tankers vessels. This agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total amount of up to US$ 195.0 million (67% of the contract price to be paid for the vessels), and an interest cost referenced to the US dollar LIBOR plus a spread varying from 90 to 110 basis points, depending on the financed vessels 'value to loan' ratio. Collaterals mainly refer to first-priority mortgages on the vessels. The agreements also provide a covenant relating to the financed vessels' aggregate value-to-loan ratio, which should at all times be at least 130%.





22. Other Financial Current Liabilities

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Fair value of derivative instruments	16,546	4,355

The balance at the end of 2008 included the fair value of the Interest Rate Swap derivatives hedging instruments. The derivatives instruments fair values are shown in note 25.

23. Payables and Other Current Liabilities

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Trade payables	39,582	32,572
Other creditors	417	1,593
Accruals & deferred income	1,960	935
Total	**41,959**	**35,100**

Payables and other current liabilities as at 31 December 2008, include mainly trade payables, of which an amount of US$ 5.0 million relates to the related party, Rudder SAM (bunker).

24. Current Tax Liabilities

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Current tax liabilities	360	73

The balance at the end of 2008 reflects the Net Wealth Tax payable of the holding company and the tonnage tax of the key operating subsidiary, d'Amico Tankers Limited.

25. Derivative Instruments

As at 31 December 2008, other than the share options, the following derivative instruments were in place:

(US$ Thousand)	Fair value at 31 December 2008	Income statement Financial income/(charges)	Equity Hedging Reserves
Hedge accounting			
Interest rate swaps	(16,546)	-	(16,546)
Total	**(16,546)**	**-**	**(16,546)**

(US$ Thousand)	Fair value at 31 December 2007	Income statement Financial income/(charges)	Equity Hedging Reserves
Hedge accounting			
Interest rate swaps	(3,459)	-	(3,459)
Forward currency contracts	(896)	-	(896)
Total	**(4,355)**	**-**	**(4,355)**

The negative outstanding derivative instruments fair value at the end of the year is shown under Other Current financial liabilities.

Interest Rate Swaps

In the last quarter of 2007 d'Amico Tankers Ltd. (IRL) signed three interest swap contracts (IRS), for a total notional amount of US$ 150 million for a period of 5 years. The IRS contracts purpose is to hedge the risks relating to interest rates on the existing Calyon revolving facility.

Forward Currency Contracts

There were no open Forward currency contracts at 31 December 2008.

26. Information on Financial Risk

As disclosed in the note 2, 'Risk Management' d'Amico International Shipping Group is exposed to some financial risk connected with its operation. This section provides qualitative and quantitative disclosure on the effect that those risks may have on the Group. With reference first to the sensitivity analysis, the following disclosures do not have any prospective value as they cannot reflect the market and industry complexity and the possible reactions resulting from any change may occur.

Foreign Exchange Risk

The Group is exposed to currency risk in respect of transactions denominated in currencies other than U.S. Dollars – being the Group's functional currency –, principally Euros and Yen.

The Group monitors its exposure to currency risk on a regular basis. Management does not consider the Group has significant exposure to foreign exchange risk from operational activities side, as principally the entire Group's revenues and most part of the operating costs are denominated in United States Dollars. As a result of the new 'Mizuho facility' signed on 30 September 2008 (denominated in Japanese Yen and for an amount up to JPY 10 billion), the Group has also a risk connected to the JPY exchange rate fluctuations exposure. This risk, assuming that no hedge instruments in place, is potentially affecting the financial charges, considering the debt profile and repayment term (1/52 on a quarterly basis).

Excluding the JPY debt exposure, the foreign exchange risk is relating to cash flows not denominated in U.S. Dollars, primarily administrative expenses and operating costs denominated in Euros. For 2008, these payments amounted to US$ 33.4 million, representing the 13.8% of total operational, administrative, financial and fiscal expenses, (US$ 35.5 million in 2007) of which 87.0% related to Euro transactions. Other significant currencies included Singapore Dollars (15.0%), and British Pounds (5.95%). A 10% fluctuation, in the U.S. Dollar exchange rate against all other currencies would have resulted in a (+/-) US$ 4.6 million variation in the profit of the Group for the year (US$ 3.5 million in 2007). At 31 December 2008, had the Japanese Yen strengthened/weakened against the US Dollar by 5 per cent, with all other variables held constant, net assets and the result for the year would have increased/decreased by US$ 2.5 million.

Interest Rate Risk

The Group is exposed to interest rate risk arising from the fact that the credit facilities and bank deposit earn interest at a variable rate. The Group is exposed to interest rate risk arising from the fact that the credit facilities and bank deposits earn interest at a variable rate and the interest rate swap contracts are valued using the expected future rates.

With all other variables remaining constant, an increase in the level of interest rates of 100 basis points would have given rise to the increase in the net financial charges by US$ 1.0 million (US$ 1.4 million in 2007) while a reduction in interest rates of 100 basis points would have given an equivalent positive effect. At December 31, 2008, had interest rates been 1% higher/lower, with all other variables held constant, then the valuation of the swaps would have increased/decreased net assets by approximately US$ 6 million. There would be no impact on the reported results as the interest rate swaps are designated cash flow hedges.

Credit Risk

The Group is exposed to credit risk resulting from the possible non performance of any of its counterparties, primarily customers.

Considering the customers, the risk essentially relates to demurrage receivable and to some charter expenses, which are analysed and written down, if needed, on an individual basis. The total specific provision at 31 December 2008 amounted to US$ 0.5 million (2007: US$ 0.15 million).

Liquidity Risk

The Group is exposed to liquidity risk from the possible mismatch between cash requirements, principally for vessel purchase and credit facility repayments and Group cash flows.

Details of the Group facility are set out in note 21, while details of the commitments are set out in note 29. The management believes that the funds and the significant credit lines currently available and the cash to be generated by the operating activities, will allow the Group to satisfy its requirements from its investing activities and its working capital needs and to fulfil the obligations to repay the debts at their natural due date.

27. Classification of Financial Instruments

(US$ Thousand)	Loans and receivables	Derivatives used for hedging	Non financial assets	Total
ASSETS				
Tangible assets	-	-	531,271	531,271
Financial fixed assets	-	-	4	4
Inventories	-	-	7,010	7,010
Receivables and other current assets	34,108	-	-	34,108
Cash and cash equivalents	41,482	-	-	41,482
LIABILITIES				
Banks and other lenders	271,666	-	-	271,666
Other financial current liabilities	-	16,546	-	16,546
Payables and other current liabilities	41,959	-	-	41,959
Current taxes payable	360	-	-	360

28. Related Party Transactions

During 2008, d'Amico International Shipping had transactions with related parties, including its ultimate Italian parent company, d'Amico Società di Navigazione SpA (DSN) and certain of DSN's subsidiaries (d'Amico Group). These transactions have been carried out on the basis of arrangements negotiated on an arm's length basis on market terms and conditions. The immediate parent company of the group is d'Amico International S.A. a company incorporated in Luxembourg.

These transactions include a management service agreement (for technical, crewing and IT services) with d'Amico Group companies, and a brand fee with d'Amico Società di Navigazione SpA, for a total cost amounting to US$ 4.5 million, in 2008. In addition, time charter hire costs for three Handy size vessels, chartered from d'Amico Shipping Italia, for which the ultimate parent company signed in the previous years a bare boat agreement from third parties, amounted to US$ 19.1 million. The related party transactions also include purchase of Intermediate Fuel Oil and Marine Diesel Oil, from Rudder SAM, a d'Amico Group controlled company, amounting to US$ 48.4 million, included in the bunker cost of the year.

Related party transactions and outstanding balances between d'Amico International Shipping S.A. and its subsidiaries (intra-group related party transactions) are disclosed in the statutory financial statements.

The effects of related party transactions on the Group's consolidated income statements for 2008 and 2007 are the following:

	2008		2007	
(US$ Thousand)	Total	Of which related parties	Total	Of which related parties
Revenue	323984	-	310,260	-
Voyage costs	(72,368)	(48,413)	(58,575)	(35,650)
Time charter hire costs	(82,248)	(19,122)	(92,352)	(19,421)
Other direct operating costs	(46,102)	(4,788)	(34,647)	(4,515)
General and administrative costs	(24,291)	(988)	(22,408)	(398)
Other operating income	3,821	-	3,766	-
Result on disposal of vessels	105,621	(1,002)	-	-
Net financial income (charges)	(16,050)	-	(10,950)	(1,186)

The effects of related party transactions on the Group's consolidated balance sheets as at 31 December 2008 and 31 December 2007 are the following:

	As at 31 December 2008		As at 31 December 2007	
(US$ Thousand)	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non current assets				
Tangible assets	531,271	-	430,605	-
Financial fixed assets	4	-	4	-
Current assets				
Inventories	7,010	-	9,300	-
Receivables and other current assets	34,108	306	35,863	712
Current financial receivables	110,279	-	-	-
Cash and cash equivalents	41,482	-	24,926	-
LIABILITIES				
Non current liabilities				
Banks and other lenders	271,666	-	178,482	-
Current liabilities				
Banks and other lenders	5,784	-	-	-
Other financial current liabilities	16,546	-	4,355	-
Payables and other current liabilities	41,959	3,979	35,173	6,835

The effects, by legal entity, of related party transactions on the Group's consolidated income statement for the 2008 are the following:

(US$ Thousand)	d'Amico Intern. Shipping S.A.	Rudder SAM	d'Amico Shipping Italia SpA	d'Amico Società di Nav. SpA	d'Amico Ireland Ltd.	d'Amico Shipping UK	Compagnia Generale Telemar SpA
	(consolidated)						
Voyage costs	**(72,368)**						
of which							
Bunker	(48,413)	(48,413)		-	-	-	-
Time charter In costs	**(82,248)**						
of which							
Vessel charter agreement	(19,122)	-	(19,122)	-	-	-	-
Other direct operating costs	**(46,102)**						
of which							
Management agreements	(3,473)	-	-	(3,473)	-	-	-
Technical expenses	(1,315)	-	-	-	-	-	(1,315)
Generale and administrative costs	**(24,291)**						
of which							
Services agreement	(988)	-	-	(874)	(114)	-	
Consultancy							
Result on disposal of vessel	**105,621**						
Result on disposal of vessel	(1,002)	-	-	-	-	(1,002)	-
Total		**(48,413)**	**(19,122)**	**(4,347)**	**(114)**	**(1,002)**	**(1,315)**

The table below shows the effects, by legal entity, of related party transactions on the Group's combined income statement for the year 2007:

(US$ Thousand)	d'Amico Intern. Shipping S.A. (consolidated)	Rudder SAM	d'Amico Shipping Italia SpA	d'Amico Società di Nav. SpA	d'Amico Finance Ltd.	Ishima Pte Ltd.	d'Amico Ireland Ltd.	d'Amico Shipping UK	Cogema SAM	Compagnia Generale Telemar SpA	d'Aamico Shipping Singapore
Voyage costs	**(58,575)**										
of which											
Bunker	(35,125)	(35,125)	-	-	-	-	-	-	-	-	-
Commissions	(525)	-	-	-	-	-	-	(84)	(372)	-	(69)
Time charter in costs	**(92,352)**										
of which											
Vessel charter agreement	(19,241)	-	(19,421)	-	-	-	-	-	-	-	-
Other direct operating costs	**(34,647)**										
of which											
Management agreements	(3,180)	-	-	(1,397)	-	(62)	(1,721)	-	-	-	-
Sundry vessel expenses	(40)	-	-	-	-	-	-	(40)	-	-	-
Technical expenses	(1,295)	-	-	-	-	-	-	-	-	(1,295)	-
Generale and administrative costs	**(22,408)**										
of which											
Services agreement	(398)	-	-	(288)	-	-	(110)	-	-	-	-
Consultancy	(276)	-	-	-	-	-	(276)	-	-	-	-
Net financial charges	**(10,950)**										
of which											
Interest expense	(1,186)	-	-	-	(1,186)	-	-	-	-	-	-
Total		**(35,125)**	**(19,421)**	**(1,685)**	**(1,186)**	**(62)**	**(2,107)**	**(124)**	**(372)**	**(1,295)**	**(69)**

The effect, by legal entity, of related party transactions on the Group's consolidated Balance Sheet as at 31 December 2008 are as follows:

(US$ Thousand)	d'Amico Intern. Shipping S.A. (consolidated)	Rudder SAM	d'Amico Shipping Italia SpA	d'Amico Società di Nav. SpA	d'Amico Ireland Ltd.	d'Amico Dry td	Ishima Pte Ltd.	Compagnia Generale Telemar SpA
Receivables and other current assets	**34,108**							
of which related party	*306*	-	-	-	-	-	*306*	-
Payables and other current liabilities	**41,959**							
of which related party	*4,059*	*2,100*	*1,150*	*306*	*90*	*36*	*270*	*107*
Total		**2,100**	**1,150**	**306**	**90**	**36**	**36**	**107**

The effect, by legal entity, of related party transactions on the Group's combined Balance Sheet as at 31 December 2007 were the following:

(US$ Thousand)	d'Amico Intern. Shipping S.A. (consolidated)	Rudder SAM	d'Amico Shipping Italia SpA	Cogema SAM	d'Amico Società di Nav. SpA	d'Amico Ireland Ltd.	d'Amico Shipping Singapore	d'Amico UK	Compagnia Generale Telemar SpA	Ishima Pte Ltd.
Receivables and Other Current Assets	**35,863**									
of which related party	*712*	-	*375*	-	-	-	-	-	-	*337*
Payables and Other Current Liabilities	**35,173**									
of which related party	*6,835*	*5,780*	*63*	*79*	*423*	*140*	*1*	*37*	*197*	*115*
Total		**5,780**	**312**	**79**	**423**	**140**	**1**	**37**	**197**	**222**

29. Commitments and Contingencies

Capital Commitments

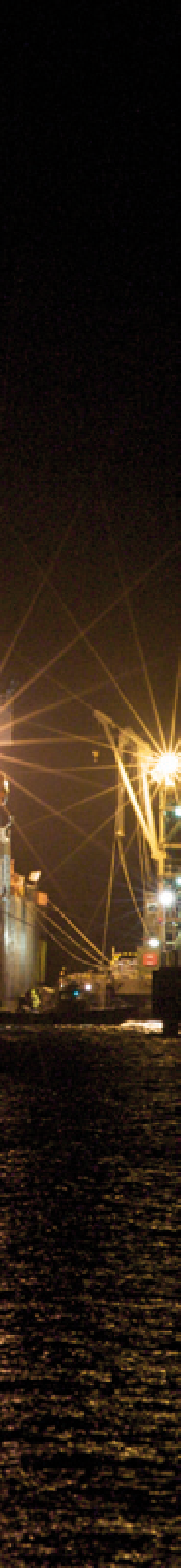
As at 31 December 2008, the Group's capital commitments amounted to US$ 256.8 million, of which payments over the next 12 months amounted to US$124.6 million.

(US$ Million)	As at 31 December 2008	As at 31 December 2007
Within one year	124.6	86.5
Between 1 – 3 years	132.2	100.2
Between 3 – 5 years	-	4.8
More than 5 years	-	-
Total	**256.8**	**191.5**

Capital commitments for d'Amico International Shipping are comprised of:

- Payments for two vessels bought in joint-venture with Mitsubishi, through d'Amico Mitsubishi Shipping, of which our consolidated 51% share of payments amounts to Yen 3.63 billion (US$ 40.1 million[1]). This is fully payable during 2009, when the two vessels will be delivered.
- Payments for 14 vessels bought by GLENDA International Shipping Ltd.. The DIS 50% share of these commitments amounts to US$ 216.7 million, of which commitments over the next 12 months amount to US$ 84.5 million.

[1] Yen values were converted to US dollars at the 31 December 2008 closing exchange rate of Yen 90.64 to 1 US dollar



Operating Leases – Chartered in Vessels[1]

As at 31 December 2008, the Group's minimum operating lease rental commitments amounted to US$ 597.5 million, of which payments over the next 12 months amounted to US$ 112.1 million.

(US$ Million)	As at 31 December 2008	As at 31 December 2007
Within one year	112.1	112.9
Between 1 – 3 years	203.6	259.9
Between 3 – 5 years	140.4	202.5
More than 5 years	141.4	245.1
Total	**597.5**	**820.4**

The amounts include the 49% of the commitment between DM Shipping Limited (in which DIS has 51% of interests) and d'Amico Tankers Limited for the two DM vessels.

As at 31 December 2008, d'Amico Tankers Limited operated 20.9 vessel equivalents on time charter-in contracts as lessee. These had an average remaining contract period of 3.8 years at that time (5.3 years including optional periods). In addition, the Company had time charter-in contracts on 3.3 vessel equivalents not yet delivered at 31 December 2008. These have an average contract period of 7.9 years (9.7 years including optional periods). Some of the charter-in contracts include options to purchase vessels in the future, details of which are included below.

Operating Leases – Other

Other operating leases primarily consist of contracts regarding office space. The minimum lease payments under these contracts are as follows:

(US$ Million)	As at 31 December 2008	As at 31 December 2007
Within one year	0.8	0.8
Between 1 – 3 years	0.7	1.3
Between 3 – 5 years	0.6	0.8
More than 5 years	1.4	2.0
Total	**3.5**	**4.9**

Purchase Options

d'Amico Tankers Ltd. currently has 9 vessel purchase options on time chartered vessels (for 6.8 vessel equivalents, since some of the options are on partially controlled vessels), 4.5 of which on vessels it currently controls, and the remaining on vessels to be delivered (2.3 vessel equivalents). Exercise of these options is at the discretion of the Company based on the conditions prevailing at the date of the option.

The following tables provide details of our purchase options. JPY exercise prices were converted to US$ at the 31 December 2008 closing exchange rate.

Acquisition options on MR vessels				
Vessel	First exercise date	Exercise price (in millions)[2]	Age at First exercise date[2]	Exercise period
MR 1[2]	March 2011	30.3	8.0	N/A
MR 2	July 2011	29.6	5.0	4 years
MR 3	October 2011	29.5	5.0	4 years
MR 4	October 2014	40.9	5.0	6 years
MR 5	April 2017	33.1	8.0	N/A
Total		**163.4**		

[1] Does not include optional periods. Includes our proportion of charter expenses of vessels time chartered by the Handytankers Pool

[2] Exercise price and vessel age at first exercise date. When option has an exercise period, exercise price falls throughout such period

Acquisition options on Handysize Vessels				
Vessel	First exercise date	Exercise price (in millions)[1]	Age at First exercise date[1]	Exercise period
Handy 1	January 2014	38.5	6.0	N/A
Handy 2[2]	March 2014	42.5	6.0	N/A
Handy 3[2]	April 2015	42.5	6.0	N/A
Handy 4[2]	April 2016	40.5	8.0	N/A
Total		**164.0**		

Ongoing Disputes

The Group is currently involved in a number of on-going commercial disputes concerning both our owned and chartered vessels. The majority of current disputes relate to cargo contamination claims. In addition, there is also a collision dispute and a repudiation of charter claim. The disputes are mostly covered by our P&I Club insurance and we expect that our financial exposure will be limited to the value of the appropriate insurance policy deductibles.

Tonnage Tax Deferred Taxation

Effective 1 January 2007 the key operating and fully owned subsidiary d'Amico Tankers Limited (Ireland) entered the tonnage tax regime. The regime includes provision whereby a proportion of capital allowances previously claimed by the company may be subject to tax in the event that vessels are sold and not replaced within the specified time limit or the company fails to comply with the ongoing requirements to remain within the regime. The theoretical contingent tax liability as at 31 December 2008 has been estimated at US$ 1.4 million assuming all vessels on which capital allowances had been formerly claimed were sold for their net book value at that date. This contingent liability decreases over the first five years following entry into tonnage tax to nil. No provision has been made as no liability is reasonably expected to arise.

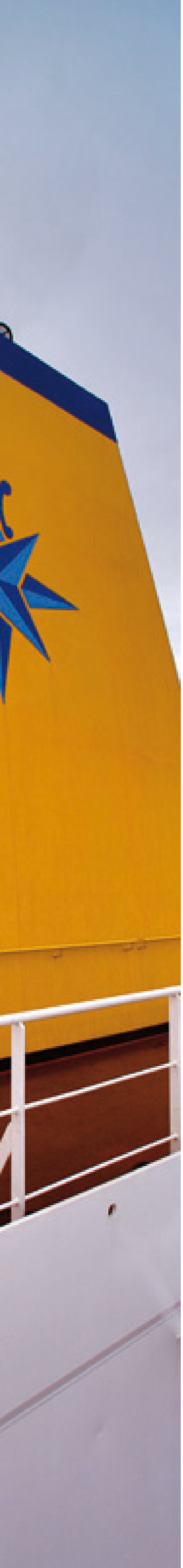
30. d'Amico International Shipping Group's Companies

The table below shows the complete list of Group companies, and for each of these companies d'Amico International Shipping's percentage ownership, its method of consolidation, registered office, share capital and currency.

	Registered Office	Share Capital	Currency	Interest %	Conso. Method
d'Amico International Shipping S.A.	Luxembourg	149,949,907	USD		
d'Amico Tankers Limited	Dublin/Ireland	100,001	EUR	100.0%	Integral
High Pool Tankers Limited	Dublin/Ireland	2	EUR	100.0%	Integral
GLENDA International Management Ltd.	Dublin/Ireland	2	EUR	100.0%	Integral
GLENDA International Shipping Ltd.	Dublin/Ireland	202	USD	50.0%	Proportional
VPC Logistics Limited	London/UK	50,000	USD	100.0%	Integral
DM Shipping Ltd.	Dublin/Ireland	100,000	USD	51.0%	Proportional
d'Amico Tankers Monaco SAM	Monaco	150,000	EUR	100.0%	Integral
d'Amico Tankers UK Ltd.	London/UK	50,000	USD	100.0%	Integral
d'Amico Tankers Singapore Pte Ltd.	Singapore	50,000	USD	100.0%	Integral

The consolidation area in 2008 does not differ with respect to the 2007 consolidated accounts. During 2008 the capital of GLENDA International Shipping Ltd. was increased although the interest of d'Amico International Shipping in the company was maintained at 50%.

[1] The company has a 25% interest on the acquisition options on these vessels



Interest in Jointly Controlled Entities

The jointly controlled entities have been proportionately consolidated in the consolidated financial statements based on the following amounts expressed in US$ thousand:

Name	Revenue	Net Result	Total Assets	Net Equity
Year ended 31 December 2008				
GLENDA International Shipping Ltd.	-	(127)	288,255	146,913
DM Shipping Ltd.	-	(180)	17,387	(3,907)
Year ended 31 December 2007				
GLENDA International Shipping Ltd.	-	(81)	32,251	32,170
DM Shipping Ltd.	-	(170)	8,571	(354)

The companies have not commenced operations yet; the first delivery of the vessels occurred at the end of December 2008 for GLENDA International Shipping Ltd. and will not occur until 2009 for DM Shipping Ltd..

31. Subsequent Events

Buy-back Programme

On 27 January 2009 the extraordinary shareholders' meeting of d'Amico International Shipping authorized the buy-back of the Company's ordinary own shares as proposed and explained by the Board of Directors in its report to the shareholders duly approved in its meeting held on 5 November 2008. The buy-back, up to a maximum of number 14,994,991 of ordinary shares including the Company's own shares already repurchased (corresponding to 10% of the subscribed capital of the Company), may be carried out in one or more tranches, for a maximum period of 18 months at the minimum price of Euro 0.50 per share and a maximum price of Euro 5 per share for a total consideration in the range of about Euro 7.5 million to about Euro 75 million.

High Harmony and High Consensus Sale

On 11 February 2009 d'Amico Tankers Limited agreed an addendum to the contract signed in August 2008 relating to the sale of the M/T High Harmony and M/T High Consensus for a total consideration of US$ 113.0 million. The terms of the agreement call for an extension of the bareboat period until May 2009 and appropriate escrow guarantees.

Handytankers

The Company entered into a share sale and purchase agreement (the "Agreement") with A.P. Møller – Mærsk A/S and Marco Polo Seatrade B., as buyers, for the selling and delivery of the shares held by d'Amico Tankers Ltd. in Handytankers K/S Esplanaden 50, a limited partnership constiltuted under the laws of Denmark with registered office at DK-1908 Copenhagen K. This Agreement is expected to be finalised by the parties within February 2009 for a selling price and cash consideration agreed of DKK 54,000 (about US$ 9,000). The sale follows the reorganisation of the pool company.

d'Amico International Shipping S.A.

Management Report and Statutory Financial Statements

Year Ended 31 December 2008
Rcs Luxembourg B 124 790

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Management Report

d'Amico International Shipping S.A. (the "Company") a company with limited liability, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg.

The object of the Company is the investment in enterprises, operating in the shipping industry, including the relevant services and facilities, as well as the administration, management, control and development of such participating interest. The principal activity of the Company is to act as the holding company for d'Amico Tankers Limited and its subsidiaries and GLENDA International Shipping Ltd..

On 3 May 2007 d'Amico International Shipping S.A. completed its initial public offering (IPO) of shares, which are listed on the Milan (Italy) Stock Exchange.

Financial Review of d'Amico International Shipping S.A.

Operating Performance

Profit for 2008 financial period of the Company amounted to US$ 43.5 million. The Company's reclassified Income statement is summarized in the following table.

(US$ Thousand)	31 December 2008	31 December 2007
Investment income (dividends)	50,000	28,572
Personnel costs	(2,508)	(1,993)
Other General and administrative costs	(4,226)	(10,423)
Financial income (charges)	212	605
Net Profit	**43,478**	**16,761**

The investment income relates to the US$ 50 million dividend received from the subsidiary d'Amico Tankers Limited (DTL - Ireland).

Costs are essentially made up of general and administrative expenses and personnel costs.

Balance Sheet[1]

(US$ Thousand)	As at 31 December 2008	As at 31 December 2007
Investments	252,087	178,955
Current assets	18,772	68,910
Total assets	**270,859**	**247,865**
Shareholders' Equity	258,583	247,445
Current Liabilities	12,276	420
Total liabilities and shareholders' equity	**270,859**	**247,865**

The Company's Total Assets mainly include the investment of US$ 252.1 million in the subsidiaries d'Amico Tankers Limited with a book value of US$ 178.9 million, the key operating subsidiaries of the Group, and GLENDA International Shipping Ltd. - book value of US$ 73.1 million - the Joint Venture company with Glencore Group. In December 2008, d'Amico International Shipping increased the share capital of that Company, by converting the existing loan.

Current assets are principally made up of receivables due from subsidiaries (US$ 0.5 million) and investment in own shares (treasury shares) for an amount of US$ 15.7 million, held by the company in accordance with the share buy-back plan approved in the second half of 2007.

[1] The balance sheet has been reclassified with respect to the statutory format

Significant Events of the Period

Controlled Fleet – Owned Vessels

In January 2008 d'Amico Tankers Ltd. acquired M/T High Harmony and M/T High Consensus, medium range double-hulled product tanker vessels (46,000 dwt), built in 2005 by the Shin Kurushima shipyard in Japan, for the purchase price of US$ 26.5 million each, by exercising the vessel's purchase option in advance with respect to the original exercise period. The vessels were originally chartered-in by d'Amico Tankers Limited. On 27 August 2008, d'Amico Tankers Limited agreed to sell to United Arab Chemical Carriers Limited of Dubai, UAE, both these vessels, for the sale price for each vessel of US$ 56.5 million, generating a gain on disposal of about US$ 29 million for each vessel, recognised at the delivery of the vessels. At the end of October 2008 an unconditional agreement was concluded, and until the sale price is paid the vessels have been delivered to the buyer under bareboat agreements. On 11 February an addendum of the agreement was signed providing that the payment, originally scheduled for January 2009, be postponed to the end of May 2009.

On 1 February 2008, d'Amico Tankers sold to a third party, for a price of US$ 54.95 million, the M/T High Trust, a medium range double-hulled product tanker built in 2004 by the Shin Kurushima Shipyard in Japan. A net gain of US$ 22.2 million was realised on the sale of this vessel. Prior to its sale, the vessel had been time chartered-in, and then owned by d'Amico Tankers Limited, which had exercised its purchase option.

d'Amico Tankers also acquired on 29 February 2008, the MT High Peace, a medium range double-hulled product tanker vessel of 45,888 dwt built in 2004. The purchase price was US$ 28.1 million. This vessel was originally chartered-in by d'Amico Tankers Limited and the charter agreement provided for a purchase option. On 8 May 2008, d'Amico Tankers sold this vessel to third party, for a sale price of US$ 55.0 million, realising a gain on disposal of US$ 24.9 million.

On 19 August 2008, the MT High Presence was delivered to d'Amico Tankers Limited. This is a 47,000 dwt medium range double-hulled product tanker vessel built in 2005, in Imabari Shipbuilding Co. Ltd. Japan, for which d'Amico Tankers Limited exercised in advance its purchase option. The agreed purchase price for the vessel was about US$ 30 million. The vessel was originally chartered in by d'Amico Tankers Ltd..

Controlled Fleet – Chartered-in Vessels

During 2008 the following vessels have been delivered to d'Amico Tankers Limited:

- January 2008 - M/T Malbec, a handysize chartered-in vessel in which the Company has a 100% interest, was delivered for a period of 6 years. The time charter-in contract also includes a purchase option at the contract expiration date.
- February 2008 - M/T Miracle, a handysize chartered-in vessel in which d'Amico Tankers Limited has a 25% interest, was delivered for a period of 6 years. The time charter-in agreement for this vessel also includes a purchase option at the contract expiration date.
- April 2008 - M/T High Saturn and M/T High Mars, medium range chartered-in vessels in which the Company has a 100% interest, were delivered for a period of 7 years. Both the vessels have options to increase the charter-in periods for a maximum of three additional years each, at the discretion of the Company.
- July 2008 - M/T High Mercury, a medium range chartered in vessel in which the Company has a 100% interest, was delivered for a period of 7 years.
- October 2008 - M/T High Jupiter, a medium range chartered in vessel was delivered for a period of 7 years.

In February 2008 the time charter-in contract for M/T High Nefeli, which would have expired in March 2008, was extended for another three years to March 2011.

New-Building Plan

On 18 July 2008, d'Amico Tankers Limited entered into contracts for the construction of two additional new product/chemical tanker vessels (being medium range 46,000 DWT) with Hyundai Mipo Dockyard Co Ltd., Korea, for expected delivery in January and October 2011, for a contract price of US$ 50.5 million each. These double-hulled vessels are modern, flexible, IMO classed vessels. These contracts were transferred at the same price in December 2008 to GLENDA International Shipping Limited, a 50/50 Joint Venture between d'Amico International Shipping S.A., the d'Amico Tankers Limited parent company, and the Glencore Group.

Financing – Mizuho Facility

d'Amico Tankers Limited signed on 30 September 2008 an agreement for a secured term loan facility of up to a maximum of 10 billion Yen (about US$ 95 million). This deal has been arranged by Mizuho Corporate Bank Ltd.. and has been syndicated by a pool of Japanese primary banks and leading financial institutions. The purpose of the Loan Facility is to finance the acquisition of Japanese product tanker vessels for which d'Amico Tankers Limited has purchase options and/or the acquisition of other product tanker vessels. This agreement, over a period of ten years, provides an interest cost corresponding to the three month London Interbank Offer Rate (LIBOR) for Japanese Yen, plus a margin of between 100 and 125 basis points depending on the financed vessels' loan-to-assets' value ratio. Collateral is mainly in the form of first-priority mortgages over the vessels.

GLENDA International Shipping – the Joint-Venture with Glencore Group

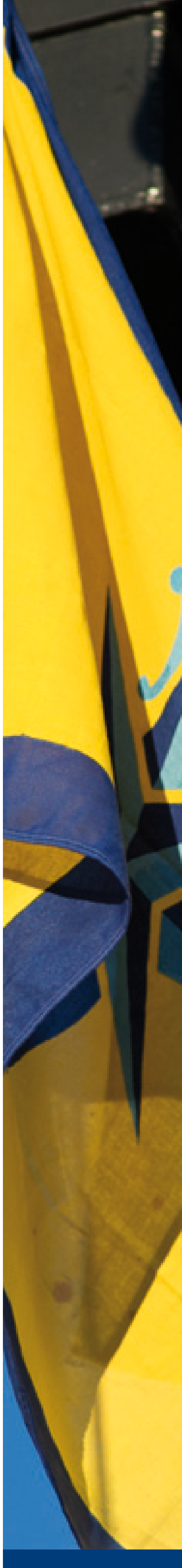
On 1 February 2008 GLENDA International Shipping's fleet expanded from seven to a total of ten MR double-hull product/chemical tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – Korea (6 vessels) and SLS Shipbuilding Co. Ltd. (4 vessels).

In June 2008, the company signed with Commerzbank AG - Global Shipping and Credit Suisse a contract to finance yard payments for the first six Hyundai product tankers vessels. This agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total amount of US$ 195.0 million (67% of the contract price to be paid for the vessels), and an interest cost referenced to the US dollar LIBOR plus a spread varying from 90 to 110 basis points, depending on the financed vessels 'value to loan'. Collateral is mainly in the form of first-priority mortgages over the vessels. The agreements also provide a covenant relating to the financed vessels' aggregate value-to-loan ratio, which should at all times be at least 130%.

On 22 December 2008 GLENDA International Shipping Limited expanded its fleet by the acquisition of four additional product/chemical tankers vessels (being Medium range 46,000 DWT) ordered from Hyundai Mipo Dockyard Co. Ltd. – Korea for expected delivery in 2011. These double-hulled vessels are modern, flexible, IMO classed. The contracts, which have been previously signed separately by d'Amico Tankers Limited (Ireland) in July 2008 and by ST Shipping and Transport Pte Ltd., a member of the Glencore Group, in 2007, have been taken over by GLENDA International Shipping Limited. Following this transaction, GLENDA International Shipping Limited's fleet expands to a total of fourteen MR double-hull product/chemical tankers under construction, with deliveries scheduled between the second half of 2009 and the end of 2011.

Buy-back Programme

In pursuance of the share buy-back programme approved by the Board of Directors on the 1st of August 2007, d'Amico International Shipping S.A. during the 2008 repurchased, on the regulated market managed by Borsa Italiana SpA, 1,808,567 own shares representing (1.20611% of the share capital), at an average price of Euro 1.742, for a total consideration of Euro 3,151,320. As at the 31 December 2008, d'Amico International Shipping S.A. held 4,390,495 own shares, corresponding to 2.92797 % of the outstanding share capital.



Significant Events since the End of the Year and Business Outlook

Buy-back Programme

On 27 January 2009 the extraordinary shareholders' meeting of d'Amico International Shipping authorized the buy-back of the Company's ordinary own shares as proposed and explained by the Board of Directors in its report to the shareholders duly approved in its meeting held on 5 November 2008. The buy-back, up to a maximum of number 14,994,991 of ordinary shares including the Company's own shares already repurchased (corresponding to 10% of the subscribed capital of the Company), may be carried out in one or more tranches, for a maximum period of 18 months at the minimum price of Euro 0.50 per share and a maximum price of Euro 5 per share for a total consideration in the range of about Euro 7.5 million to about Euro 75 million.

Controlled Fleet

There have been no changes to the Group's controlled fleet.

High Harmony and High Consensus Sale

On 11 February 2009 d'Amico Tankers Limited agreed an addendum to the contract signed in August 2008 relating to the sale of the M/T High Harmony and M/T High Consensus for a total consideration of US$ 113.0 million. The terms of the agreement call for an extension of the bareboat period until May 2009 and appropriate escrow guarantees.

Handytankers

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Business Outlook

The key drivers that should affect the product tanker freight markets in 2009 are: (i) There are great concerns about Oil demand and worldwide GDP growth and (ii) There is still a large influx of new buildings in 2009/2010.

These can be offset to a varying extent by:

- Despite the decrease in the price of Oil there are still planned investments in Refinery Capacity in the coming years primarily within the Asian region, which should result in increased tonne mile demand;
- Despite the fact that the IEA have revised downwards Oil Product demand for the OECD Nations this is countered to an extent by expected increase in demand outside these Countries;
- Refinery closures in the Western hemisphere have already occurred and could possibly continue in the coming year(s) and any positive correction in demand can be met by the excess capacity with the Eastern hemisphere which will increase the tonne mile demand for Product Tankers;
- There is expected further trade growth in other Commodities such as Palm oil and Vegetable oil. The exports of Palm and Vegetable Oil tend to also be long haul trades to large consuming Countries such as China and the United States. These Products also can only be carried on IMO Classified vessels which should increase demand for these type of vessels;
- Multidirectional refined products trade driven by arbitrage opportunities;
- A further tightening of vetting and screening procedures from oil companies, favoring modern, double hull vessels operated by owners with full in-house ship-management and crewing;
- Reduction in all commodity prices could stimulate some trade growth.

Potential fleet reduction in net growth over next couple of years, and possible reduction of deliveries within 2009 due to following reasons:

- Financing has not been secured for some vessels;
- A further tightening of vetting and screening procedures from oil companies, favoring modern, double hull vessels operated by owners with full in-house ship-management and crewing;
- Ship Yards that are facing continued delays which could become cancellations;
- A large number of Owners are now trying to re-negotiate contracts; either delaying deliveries into 2010/2011, reducing orders or not taking up additional options;
- 2010 is the deadline for IMO phase out and in the current economic climate owners may elect to scrap their single hull ships earlier than originally anticipated.

On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

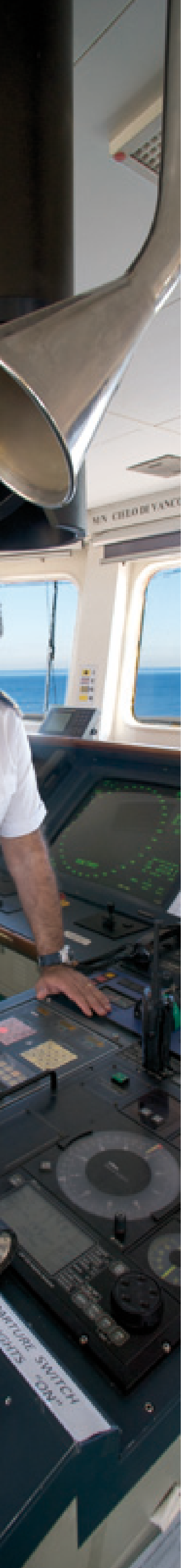
d'Amico International Shipping S.A.

Financial Statements and Explanatory Notes

For the Year ended 31 December 2008

Profit and Loss Account for the Year from 1 January to 31 December 2008

US$	Note	31 December 2008	31 December 2007
CHARGES			
3. Staff costs			
a) wages and benefits	(2)	*2,425,804*	*1,982,215*
b) social security		*82,363*	*10,337*
4. Value adjustments in respect of fixed assets		13,961	7,415
5. Other operating charges	(3)	3,883,640	10,416,222
7. Interest payable and similar charges			
b) other interest payable and charges	(4)	*305,718*	*105,792*
12. Other taxes not shown under above items	(5)	339,221	-
13. Profit for the financial period		43,477,765	16,760,529
Total charges		50,528,472	29,282,510
INCOME			
5. Income from participating interest			
a) derived from affiliated undertakings	(6)	*50,000,000*	*25,000,000*
7. Other interest receivable and similar income			
a) derived from affiliated undertakings	(7)	*45,732*	*3,571,726*
b) other interest receivable and similar income	(7)	*471,944*	*710,784*
9. Extraordinary income		10,796	-
Total income		50,528,472	29,282,510



Balance Sheet

US$	Note	As at 31 December 2008	As at 31 December 2007
C. Fixed assets			
II. Tangible assets			
3. other fixtures and fittings, tools and equipment	(8)	*29,894*	*32,655*
III. Financial assets			
1. shares in group undertakings	(9)	*252,057,334*	*178,922,020*
2. loans to affiliated undertakings	(10)	*425,000*	*16,129,510*
7. own shares	(11)	*15,680,151*	*11,199,123*
D. Current assets			
II. Debtors			
a) due and payable within one year	(12)	*22,301*	*41,027,678*
IV. Cash at bank		2,538,295	512,934
E. Prepayments	(13)	**106,479**	**40,879**
Total assets		**270,859,454**	**247,864,799**
A. Capital and reserves			
I. Subscribed capital	(14)	149,949,907	149,949,907
II. Share premium account	(14)	44,902,825	67,734,509
IV. Reserves	(14)		
1. legal reserve		*838,026*	*-*
2. reserve for own shares		*15,680,151*	*11,199,123*
4. other reserves		*3,734,334*	*1,800,000*
V. Profit or loss brought forward		-	-
VI. Profit for the financial period		43,477,765	16,760, 529
C. Creditors			
4. trade creditors on purchase and provision of services			
a) due and payable within one year	(15)	*12,184,737*	*304,416*
D. Accruals and deferred income		**91,709**	**116,315**
Total liabilities and shareholders' equity		**270,859,454**	**247,864,799**

Explanatory Notes

The Company presents its statutory financial statements in accordance with generally accepted accounting principles in Luxembourg. The financial statements are prepared on a going concern basis. The Profit and Loss Account and the Balance Sheet are shown in accordance with the articles 34 and 46 of the law 19 December 2002.

The amounts are expressed in U.S. dollars, which is the functional currency of the Company.

1. Accounting Policies

The principal accounting policies, which have been consistently applied, are set out below.

Foreign Currencies

Transactions during the period in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the balance sheet date. The realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

General and Administrative Costs

Administrative expenses, which comprise staff costs and other operating charges are expensed as incurred.

Interests

Financial income and charges are recognized in accordance with the accruals basis of accounting.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by shareholders' meeting.

Taxation

The current taxation is based on taxable income for the period using local tax rates that have been enacted by the balance sheet date. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

Deferred tax, if any, represents the tax the Company expects to pay or recover on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the balance sheet liability method. Liabilities relating to deferred tax are generally recognised for all taxable temporary differences. Assets relating to deferred tax are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled or the asset realised. It is charged or credited in the profit and loss account.

Tangible Assets

The tangible assets are shown at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost as well as other costs which are directly attributable to the acquisition. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Financial Assets (Shares in Affiliated Undertakings)

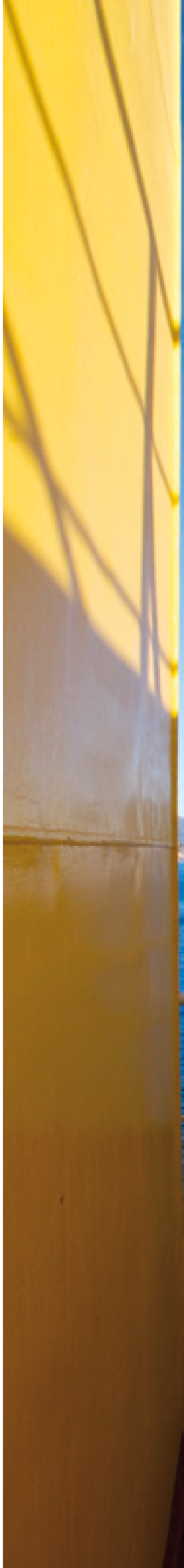
Investments in subsidiaries, jointly controlled entities and associated entities are stated at cost as adjusted for any impairment losses. Investments in subsidiaries and associates are tested for impairment annually and if necessary more often. If there is any evidence that these investments have been impaired, the impairment loss is recognized directly in the profit and loss account.

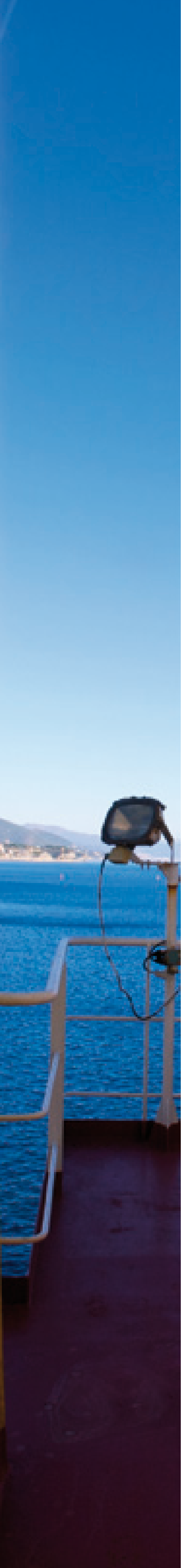
Receivables (Debtors)

Receivables are stated at their realizable value.

Cash and cash equivalents (Cash at Bank)

Cash and cash equivalents include cash in hand, current accounts and deposits held on demand with banks, and other short-term highly liquid investments readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at their nominal value.





Payables (Creditors)

Payables are measured at the nominal value.

Derivative Instruments

The Company does not use derivative financial instruments.

Provisions for Risks and Charges

Provisions for risks and charges are recognised when the Company has a present obligation as a result of a past event and it is likely that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present values where the effect is material.

Difference between the Luxembourg Accounting Principles and International Financial Reporting Standards

The stautory financial statements of the parent company d'Amico International Shipping S.A. are prepared in acccordance with Luxembourg GAAP and differ in certain aspects from International Financial Reporting Standards (IFRS), used to prepare the consolidated financial statements.

The differences in accounting treatment relate to the following:

Treasury Shares (Own Shares)

Under Luxembourg GAAP, Treasury Shares are shown under Current Assets as "Financial assets – own shares" and a non-distributable reserve must be constituted under Shareholders' Equity as a specific reserve. Under IFRS, Treasury Shares are directly deducted from Shareholders' Equity.

2. Staff Costs

The Company employs two Managers and two administrative employees.

A share option plan for management remuneration was approved by an EGM on 6 September 2007, after advice of the Remuneration Committee. 2,631,774 Options were assigned to the CEO, the COO and the CFO. The adoption of this incentive compensation scheme fits the form of variable compensation (bonus) – as a percentage of the overall salary. The plan will evolve over a period of 36 months through assignments in four tranches, eligible for cumulation, with physical delivery regulations. Valuation of the fair value of the equity instruments and of the corresponding services received by the Company was performed at grant date.

3. Other Operating Charges

They mainly relate to professional fees and advisory costs incurred by the Company during the year: they are functional to its current presence on the stock market.

Fees were paid to the Company directors for services rendered to the Company and attending the Board's meetings. A total amount of US$ 944,800 was paid, including net fees for US$ 787,397 and 20% witholding tax.

4. Interest Payable and Similar Charges

Financial expenses mainly comprise exchange loss on trade payables due to the unfavourable movement in the US$ exchange rate against the Euro and financial fees paid to banks in return for services received.

5. Taxation

As dividends are not subject to the corporate income tax in Luxembourg, the holding company, d'Amico International Shipping S.A. had, at the end of 2008, cumulated tax losses to be carried forward of approximately Euro 15 500 000 (US$ 21 600 000). The Luxembourg corporate income theoretical tax rate is of 30%. No deferred tax asset has been accounted for as the Company has no trading activity.

The holding company is subject to the Luxembourg Net Wealth Tax regime; for 2008 the calculated net assets generated a tax of Euro 194 000 (US$ 339 000).

6. Income from Participating Interest

A dividend of US$ 35.0 million was received in the month of May and an interim dividend of US$ 15.0 million was received at the end of July from d'Amico Tankers Limited.

7. Other Interest Receivable and Similar Income

The balance of US$ 517 676 mainly refers to exchange gains, to interest received on bank deposits and to the interest income on a loan to d'Amico Tankers Limited.

8. Tangible Assets

Tangible assets principally represents IT equipment for the Luxembourg office.

9. Financial Assets – Shares in Group Undertakings

Company	Country	Ownership	Ccy	Increase US$	Decreases US$	Book value at 31 December 2008
d'Amico Tankers Limited	IRL	100%	USD	-	-	178,921,920
GLENDA International Shipping Ltd.	IRL	50%	USD	73,135,314	-	73,135,414
Shares in subsidiaries			**USD**	**73,135,314**	**-**	**252,057,334**

d'Amico Tankers Limited is the key - operating subsidiary of the d'Amico International Shipping Group, while GLENDA International Shipping Ltd. is the vehicle for the Joint Venture with Glencore Group, one of the world's largest suppliers of commodities and raw materials to industrial consumers. The investments qualify as financial long-term investment.

d'Amico Tankers Limited

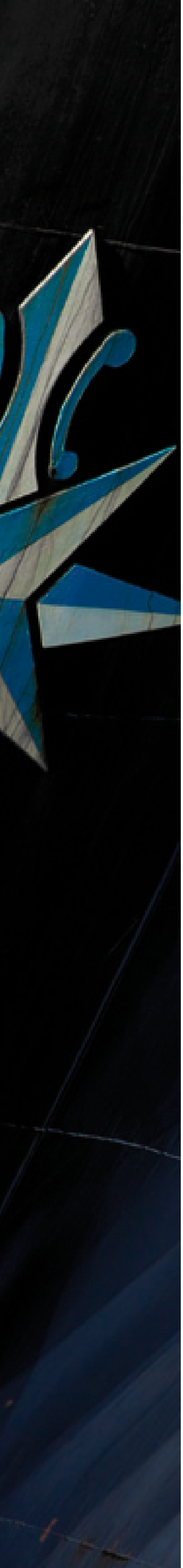
At its Annual General Meeting on 6 February 2008, the shareholders of d'Amico Tankers Limited approved the payment of a dividend of US$ 35 million. On 28 July 2008 the Board of Directors deliberated the distribution of an interim dividend of US$ 15 million.

GLENDA International Shipping Limited

On 22 December 2008 the Board approved the shareholders' equity increase of US$ 146.3 million. The consideration for the shares issued was satisfied through the reduction of the existing shareholders loan due to the shareholders d'Amico International Shipping S.A. and Topley Corporation. As a result of this transaction, the share capital increased by US$ 2 and the amount of US$ 146.3 million (US$ 73.1 million representing the interest of DIS) has been recognized as share premium reserve. This amount includes the payments of US$ 10.1 million per vessels in respect of the four additional product tanker vessels, whose contracts have been taken over by the Company on the same date.

Investments through d'Amico Tankers Limited:

Company	Interest	Country	Activity
High Pool Tankers Limited	100%	Ireland	Pool company
GLENDA International Management Limited	100%	Ireland	Pool company
VPC Logistics Limited	100%	UK	Shipping
DM Shipping Limited	51%	Ireland	Shipping
d'Amico Tankers Monaco S.A.M.	100%	Monaco	Services
d'Amico Tankers UK Limited	100%	UK	Services
d'Amico Tankers Singapore Pte Ltd.	100%	Singapore	Services
HandyTankers K/S	33%	Denmark	Pool company



10. Financial Assets – Loans to Affiliated Undertakings

Company	31 December 2008	31 December 2007
GLENDA International Shipping Ltd.	425,000	16,129,510

During the year the interest free shareholders' loan (equity fund) was increased to finance further instalments relating to the vessels under construction; on 22 December US$ 73.1 million of the loan were converted into capital; a residual part is left to allow current management of the company.

11. Financial Assets – Own Shares

Securities are represented by own shares, which were purchased during the second half of 2007 and during 2008, following the EGM of 3 July 2007. Repurchase of Company shares over regulated market is allowed for 18 months up to 10% of share capital amount.

During the year further 1.808.567 own shares were purchased, reaching a total of 4.390.495 shares, corresponding to 2.93% of the share capital. Own shares are recorded at purchase value.

12. Debtors

It is a residual amount from the day-to-day administrative activity of the Company.

13. Prepayments and Accruals

All professional expenses have been accrued.

14. Capital and Reserves

Subscribed Capital

The authorised capital of the Company amounts to US$ 200,000,000 represented by 200,000,000 shares with no nominal value. All shares pertain to the category of ordinary shares. The subscribed and fully paid up capital of US$ 149,949,907 is represented by 149,949,907 shares with no nominal value.

Share Premium Account

The share premium account has been booked following the IPO and related to the increase of share capital which occurred at the beginning of May 2007. The amount is net of certain costs and charges strictly connected with the share capital increase.

Reserves

Legal Reserve

It was formed through destination of 5% of 2007 realised profits.

Reserves for Own Shares

It has been established for an equivalent amount of the own shares purchased on the market.

Other Reserves

On 6 September 2007 the Company approved the grant of share options to senior management. The reserve has been established for the amount correspondent to the cumulated cost at the end of the year.

15. Creditors

Company	31 December 2008	31 December 2007
d'Amico Tankers Limited	11,699,625	-
Other creditors	485,112	304,417
	12,184,737	**304,417**

The Company has in place a financial payable due to d'Amico Tankers Limited (DTL). The loan bears interest at US dollar LIBOR 3 months plus a margin aligned with the markets conditions; on 31 December 2008 the amount due was US$ 11,699,625.

Other creditors represent the amount payable to the Luxembourg Tax Administration for 2008 Net Wealth Tax and amounts payable to suppliers of goods and services.

Other Disclosures

The following disclosures are included as part of the Italian Exchange Commission 'CONSOB' requirements for the company listed on the Milan Stock Exchange

Compensation to the Members of the Board of the Directors and to Senior Managers of the Company with Strategic Responsibilities

(Article 78 of the Consob Regulation 11971/99) (US$ thousand)

Name	Office held	Period of time in charge of the position	Date of expiry[1]	Compensation for the position held in the Company	Non-Cash Benefits	Bonus and other incentives	Other fees[2]
Mr. Paolo d'Amico	Chairman	2008	2011	366	-	-	307
Mr. Marco Fiori	Chief Executive Officer	2008	2011	212	-	-	1,483
Mr. Cesare d'Amico	Executive Director	2008	2011	59	-	-	-
Mr. Massimo Castrogiovanni	Non-Executive Director	2008	2011	80	-	-	7
Mr. Stas Jozwiak	Non-Executive Director	2008	2011	80	-	-	-
Mr. Gianni Nunziante	Non-Executive Director	2008	2011	80	-	-	-
Senior Managers with strategic responsibilities[3]		2008		97	-	-	2,949

Participations held Directly or Indirectly in the Company's and its Subsidiaries' Share Capital by Members of the Board of Directors and by Senior Managers of the Company

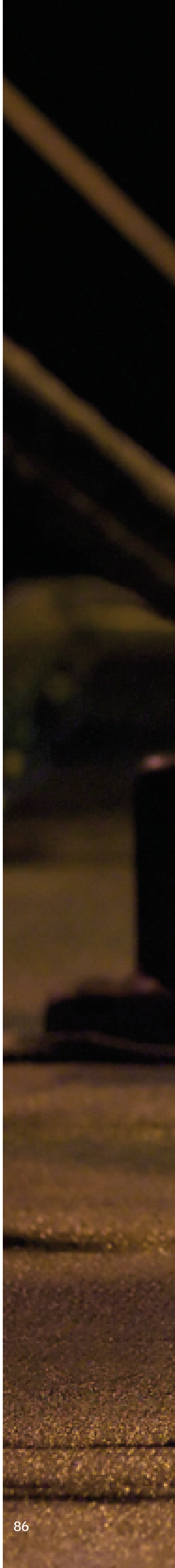
(Article 79 of the Consob Regulation 11971/99)

Mr. Paolo d'Amico and Mr. Cesare d'Amico, respectively the Chairman and the Executive Director of the Board of Directors of the Company and both members of the Executive Committee of the Company, are the ultimate controllers of the Company. Mr. Paolo d'Amico holds 3,000,000 voting shares constituting 50% of the share capital of d'Amico Società di Navigazione SpA. Mr. Cesare d'Amico holds 1,076,010 voting shares constituting 17.93% of the share capital of d'Amico Società di Navigazione SpA and, through a controlling (54%) shareholding in Fi.Pa. Finanziara di Participazione SpA (a company owned by Mr. Cesare d'Amico and his sisters, Mrs. Maria Cristina d'Amico and Mrs. Giovanna d'Amico), indirectly holds a further 1,923,990 voting shares constituting 32.07% of the share capital of d'Amico Società di Navigazione SpA d'Amico Società di Navigazione SpA holds 100% of the share capital of d'Amico International S.A. and the latter holds 64.30% of the Company's share capital. As a result, Mr. Paolo d'Amico and Mr. Cesare d'Amico indirectly beneficially own 64.30% of the Shares of the Company and its Subsidiaries.

[1] Date of the General Shareholders' Meeting approving the Company's Annual Accounts for 2010 Financial Year

[2] It includes the compensation as Board members and the salaries received from other Group companies

[3] It includes 5 Managers of d'Amico International Shipping Group



Proposal for Approval of the Consolidated and Statutory Financial Statements and Allocation of the 2008 Net Profit and Dividend Distribution

Dear Shareholders,

We submit for your approval the Consolidated and Statutory financial statements for the fiscal year ended 31 December2008. In view of the next Annual General Shareholder's Meeting of the Company, to be held on 31 March 2009, the board of directors proposes to allocate the net profit of the Company amounting to US$ 43,477,765.00 as follows, subject to shareholders' approval:

- US$ 2,173,888.25 to the Legal Reserve required by applicable Law and in compliance with Article 29 of the Articles of Association of the Company;
- Proposal of a dividend distribution of US$ 20,000,000.00;
- Allocate to retained earnings the residual amount of US$ 21,303,876.75.

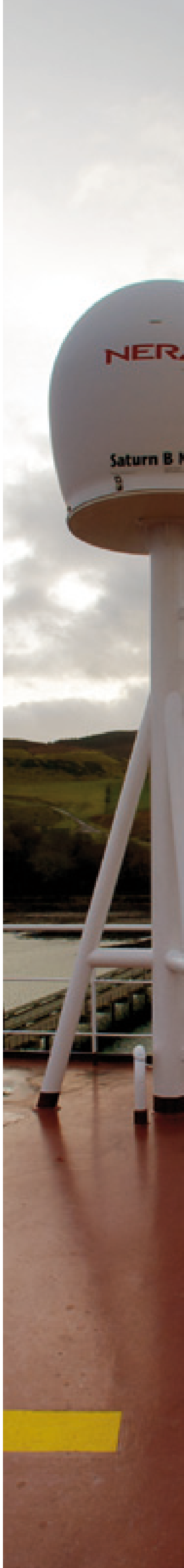
The Board of Directors noted that the proposed dividend distribution is in line with the dividend policy as adopted by the Company, representing about the 40% of the consolidated net profit (excluding the gain on vessel disposals) and 47% of the statutory net profit.

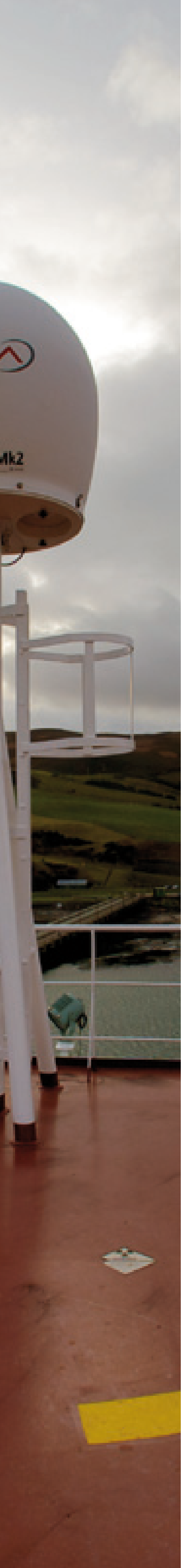
Subject to the approval by the Company's Annual General Shareholder's Meeting, the payment of the above mentioned dividend will take place on 30 April 2009, with ex dividend date (coupon n.2) on 27 April 2009.

Luxembourg, 18 of February 2009

On behalf of the Board of Directors

Paolo d'Amico
Chairman





On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

The manager responsible for preparing the company's financial reports, Mr. Alberto Mussini, in his capacity of Chief Financial Officer of d'Amico International Shipping S.A. (the "Company") declares to the best of his knowledge, that the consolidated and statutory financial statements prepared in accordance with the applicable set of accounting standards as published in this report, give a true and fair view of the assets, liabilities, financial position and income statement of the Company and its consolidated subsidiaries and that the report on operation and the management report include a fair review of the development and performance of the business and the position of the Company and its consolidated subsidiaries, together with a description of the principal risks and uncertainties that they face.

Alberto Mussini
Chief Financial Officer

MOORE STEPHENS
SOCIETE A RESPONSABILITE LIMITEE

Independent Auditors' Report to the shareholders of d'Amico International Shipping S.A.

We have audited the accompanying consolidated financial statements of d'Amico International Shipping S.A. as at December 31, 2008 and the related statements of income, changes in equity and cash flows for the year then ended and summary of significant accounting policies and other explanatory notes.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken so that we might audit the consolidated financial statements that we have been engaged to audit, report to you that we have done so, and state those matters that we have agreed to state to you in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than d'Amico International Shipping S.A. for our work or for this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

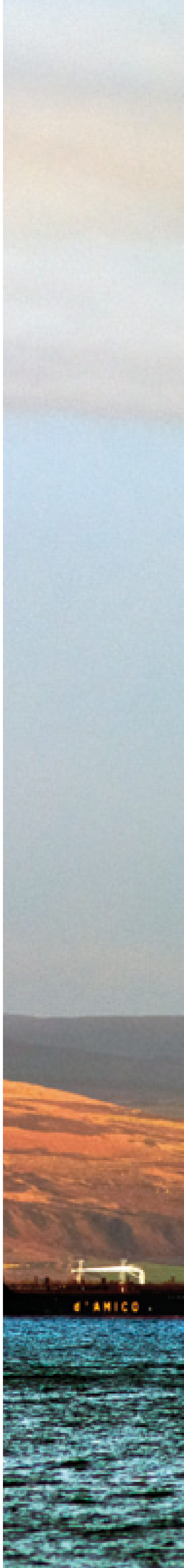
Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Capital social : 12.500,00 EUR
R.C.S. Luxembourg B 42 365



MOORE STEPHENS
SOCIETE A RESPONSABILITE LIMITEE

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the company as at December 31, 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

MOORE STEPHENS S.à.r.l.
Luc BRAUN
Allée Marconi, 16
L-2120 Luxembourg

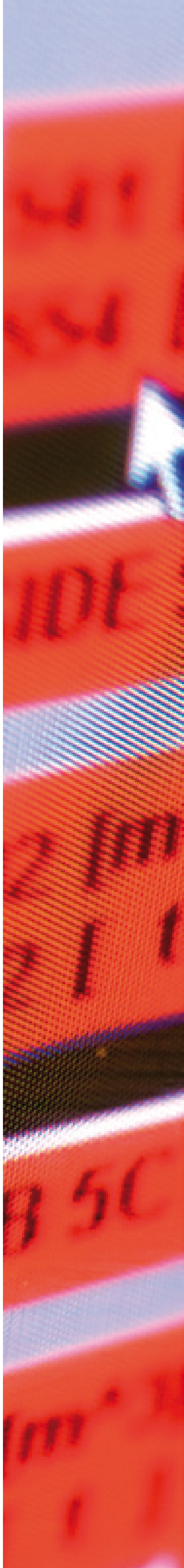
March 12, 2009

Capital social : 12.500,00 EUR
R.C.S. Luxembourg B 42 365

MOORE STEPHENS
SOCIETE A RESPONSABILITE LIMITEE

Allée Marconi, 16
L – 2120 LUXEMBOURG

Tél : 00352 26 44 03 65
Fax : 00352 45 31 47
Email : mail@moore-stephens.lu
Internet : www.moorestephens.com



Luxembourg, March 12, 2009

REPORT OF THE REVISEUR D'ENTREPRISES

To the shareholders of
d'Amico International Shipping S.A.
25C, Boulevard Royal

L-2449 LUXEMBOURG

Report on the annual accounts

Following our appointment by the General Shareholders' Meeting we have audited the accompanying annual accounts of d'Amico International Shipping S.A., which comprise the balance sheet as at December 31, 2008 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the réviseur d'entreprises

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des réviseurs d'entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

Capital social : 12.500,00 EUR
R.C.S. Luxembourg B 42 365

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the réviseur d'entreprises, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of d'Amico International Shipping S.A. as of December 31, 2008, and of the results of its operations for the year then ended, in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the board of directors, is in accordance with the annual accounts.

MOORE STEPHENS SARL
Luc BRAUN
Réviseur d'entreprises

LUX-FIDUCIAIRE
EXPERTS COMPTABLES ET FISCAUX

12, rue Ste Zithe • L-2763 Luxembourg
Tél.: 49 69 60-1 Fax: 49 31 19

To the Shareholders of
D'AMICO INTERNATIONAL SHIPPING S.A.
with registered office
25c, Boulevard Royal
L-2449 Luxembourg

REPORT OF THE "COMMISSAIRE AUX COMPTES"

Following our appointment by the General Meeting of the Shareholders dated April 29, 2008, and with Luxembourg legal and regulatory requirements, we hereby inform you that we have carried out our statutory audit of D'AMICO INTERNATIONAL SHIPPING S.A. for the year ended **December 31, 2008**.

We have carried out our mandate on the basis of the Law of August 10, 1915 and have noted that the annual accounts as at **December 31, 2008** are in accordance with the accounting records and related documents which have been submitted to us.

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxemburg legal and regulatory requirements relating to the preparation of the annual accounts.

We have examined the Balance Sheet of your company as at **December 31, 2008** reporting a total of USD 270.859.454,00 as well as the Profit and Loss account for the year ended **December 31, 2008**, reporting a profit of USD 43.477.765,00.

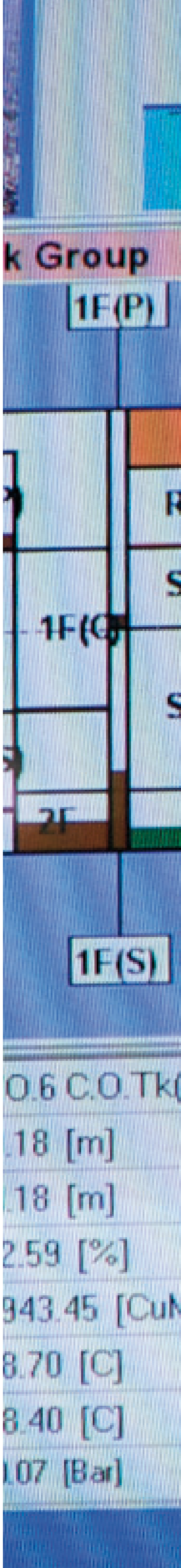
The elements relative to the accounts mentioned in the Report of the Board of Directors are in conformity with the annual accounts.

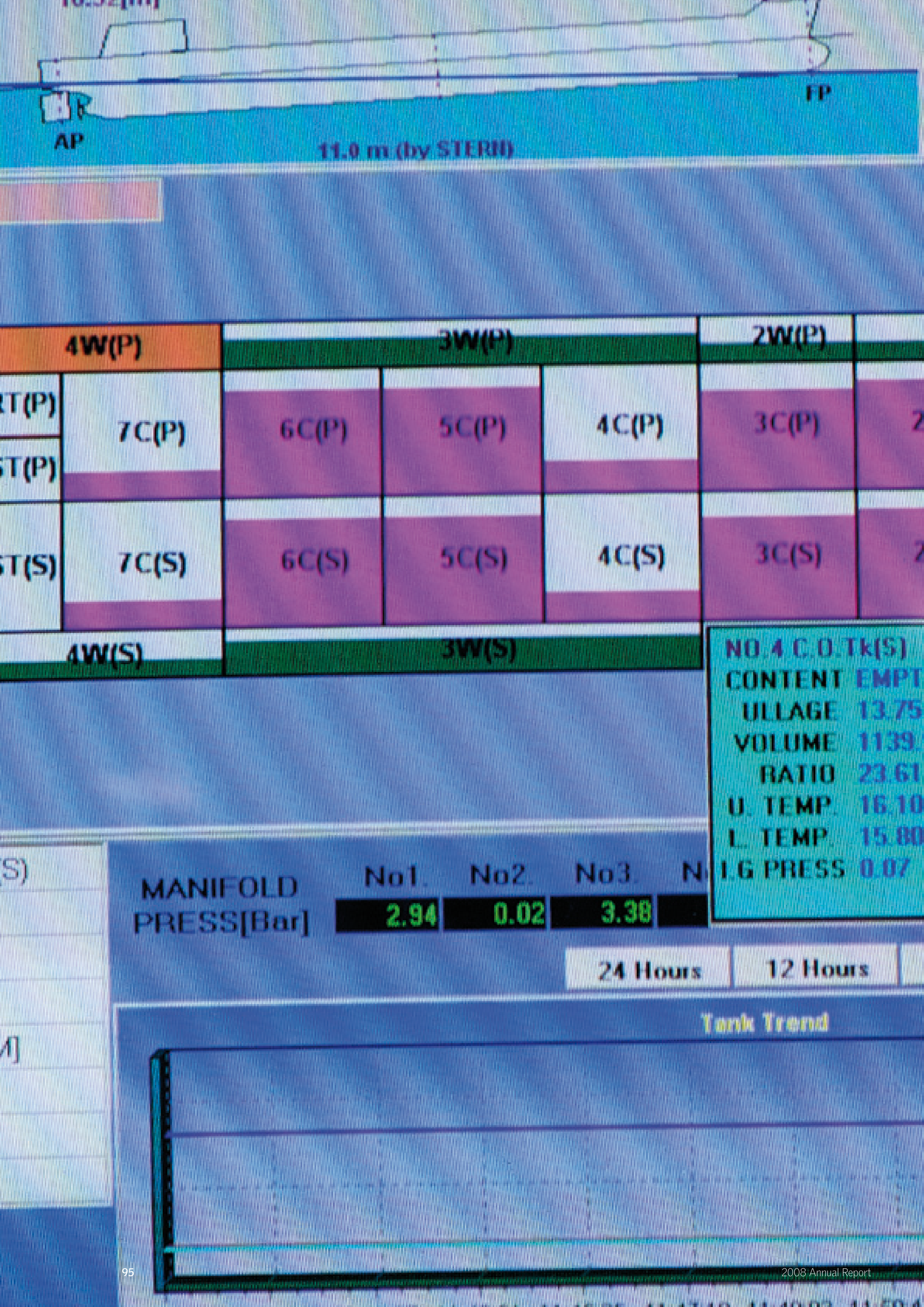
Luxembourg, on March 2, 2009

LUX-FIDUCIAIRE

Monique MALLER André MEDER

Société à Responsabilité Limitée au capital de 100.000,00 € R.C. Luxembourg B 65 819 Identification LU N° 175 86 804

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d'Amico International Shipping S.A.
www.damicointernationalshipping.com

Ireland
d'Amico Tankers Limited
The Anchorage
17-19 Sir John Rogerson's Quay
Dublin 2 - Ireland
P. +353 1 674 0140

Monaco
d'Amico Tankers Monaco S.A.M.
20 Bd de Suisse
MC 98000 - Monaco
P. +377 9310 5656

United Kingdom
d'Amico Tankers UK Limited
2 Queen Anne's Gate Building
Dartmouth Street
London SW1H 9BP - UK
P. +44 207 340 2000

Singapore
d'Amico Tankers Singapore Pte Limited
Battery Road #14-07
Singapore 049909
P. +65 6586 0860