

TO ALL OWNERS AND MEMBERS

16 May 2013

Dear Sirs

FINANCIAL POSITION AND OPEN POLICY YEARS

The board of the club met on Friday 10 May 2013 and reviewed the club's financial position.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 20 FEBRUARY 2013

The Report and Financial Statements were approved by the board and will be published on the club's website and a Review of the Year will be sent to owners and members in the next few days. These show that the Standard Club's free reserves have increased slightly to a new record level of \$363m.

P&I CLASS

2010/11 policy year

The year was closed.

2011/12 policy year

Claims in this policy year have deteriorated from the original forecast with an increase in both retained losses and contributions to the Pool. This year now has a small deficit, after investment income, but no further premiums are expected to be necessary.

2012/13 policy year

Retained claims on this policy year are developing within expectations but the estimated cost of the Pool has been substantially increased. The year has a small deficit, after investment income. Apart from the final instalment of the estimated total premium, which is due on 1 November 2013, no further premiums are expected to be necessary.

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The Standard Club Asia Ltd

www.standard-club.com

Incorporated in Singapore No. 199703224R. Authorised and regulated by the Monetary Authority of Singapore

Managers: Charles Taylor Mutual Management (Asia) Pte. Limited

Registered Office: 140 Cecil Street, #15-00 PIL Building, Singapore 069540. Registered in Singapore No. 199703244C

Telephone: +65 6506 2896 E-mail: pandi.singapore@ctplc.com

2013/14 policy year

The estimated total premium has been debited with the final instalment due on 1 November 2014.

Release calls

The release call percentages for the three open policy years are 3.5%, 4.5% and 14% of estimated total premium for the 2011/12, 2012/13 and 2013/14 years respectively. An explanation of the methodology behind these percentages can be found on the club's website.

DEFENCE CLASS**2010/11 policy year**

The year was closed.

2011/12 and 2012/13 policy years

Claims in these policy years remain at a high level as a result of the difficult trading conditions experienced by many owners and members. Nevertheless no further premiums are expected to be necessary.

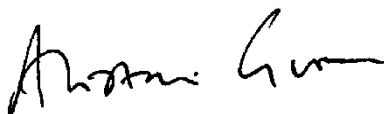
2013/14 policy year

The estimated total premium has been debited. No further premiums are expected to be necessary.

Release calls

The release call percentages for the three open policy years are the same as for the P&I Class.

Yours faithfully



Alistair Groom
Chairman
Charles Taylor Mutual Management (Asia) Pte Limited