d'AMICO INTERNATIONAL SHIPPING S.A.
INTERIM REPORT AS AT 31 MARCH 2007

FIRST QUARTER 2007

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d'Amico International Shipping S.A.
Registered office in Luxembourg
Share capital US$ 128.956.920 as at 31 March 2007

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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

(1) Member of the Executive Committee
(2) Independed Director
(3) Lead Independent Director

STATUTORY AUDITORS/COMMISSARIE AUX COMPTES

Lux-Fiduciaire S.à.r.l.

EXTERNAL AUDITORS

Moore Stephens S.à.r.l., Luxembourg

D’AMICO INTERNATIONAL SHIPPING GROUP

GROUP OVERVIEW

d’Amico International Shipping S.A. (the Group or d’Amico International Shipping) is an international marine transportation group, historically part of the d’Amico Group that traces its origins to 1936. As at 31 March 2007, d’Amico International Shipping controls, either through ownership or charter arrangements, a modern fleet of 33 product tanker vessels, aggregating approximately 1.49 million deadweight tons (dwt). The product tankers vessels of d’Amico International Shipping range from approximately 35,000 to 51,000 dwt. The fleet includes ten owned and sixteen chartered in medium range product tankers (MRs), ranging from 46,000 to 51,000 dwt, and three owned and four chartered in handysize product tankers, ranging from 35,000 to 40,000 dwt. d’Amico International Shipping employs most of its controlled fleet through three commercial partnership arrangements. Through one of these arrangements the Group has partial interests in seven additional chartered in handysize product tankers. As of 31 March 2007 the 20 chartered in vessels of our 33 controlled vessel fleet were under charter in contracts which have an average remaining contract term of 5.8 years, with the longest charter in contract spanning until 2015. Furthermore, 17 of these 20 chartered in vessels have either a vessel purchase option, a charter in extension option or a combination of both, during or at the end of the contract term. All of these vessels are double-hulled, except for two short-term chartered in double-sided MRs, which will leave the fleet by July 2007. The fleet is 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.

d’Amico International Shipping operates a young fleet, with an average age of approximately four years, compared to an average in the product tanker industry of 11.2 years, according to Clarkson.

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, d’Amico International Shipping is in compliance with the stringent requirements of major oil and energy-related companies, such as ExxonMobil, Shell, Total, Glencore, Petrobras, Vitol and Vela, which are some of its established customers. Based on recent revisions to Annexes I and II to MARPOL, adopted by the IMO and effective as of 1 January 2007, cargoes, 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 (hereinafter referred to as IMO Classified). Approximately 60% of the current d’Amico International Shipping fleet, calculated by number of vessels, is IMO Classified and this, together with the access to clients, both direct and through our partnerships, provides d’Amico International Shipping with a competitive advantage for penetrating these markets and expanding the range of products the Group transports.

d’Amico International Shipping operates and employs almost all its controlled vessels through three partnership arrangements, two of which are pool arrangements and one of which is a commercial arrangement. These commercial partnerships enable the Group to deploy, collectively with the partners, a fleet of vessels with significant scale and geographic coverage. As a result, these partnerships allow d’Amico International Shipping to provide a comprehensive service to the 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 has been a member of the Handytankers Pool, together with A.P. Moller-Maersk, Seaarland Shipping Management and Motia Compagnia di Navigazione S.p.A. This is currently the largest handysize product tanker pool in the world, operating approximately 79 vessels as at 31 March 2007. This pool includes the seven handysize product tankers of our fleet and the seven chartered in handysize product tankers in which we have a partial interest. Under the service agreement the Group entered into with the pool manager, A.P. Moller–Maersk, d'Amico International Shipping is actively involved in the pool's commercial management, in particular chartering and vessel operations, but not administration.

In 2003, the Group established High Pool Tankers Limited with Nissho Shipping Co. Limited (Japan). This pool operated eight MR product tankers as at 31 March 2007, including seven of our chartered in MRs. 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, the Group entered into a commercial arrangement with Glencore - ST Shipping, to jointly manage eight MR product tankers. d'Amico International Shipping and Glencore - ST Shipping each contributed four MRs. In August 2006, d'Amico International Shipping incorporated the commercial arrangement as Glenda International Management Limited to allow the Group to trade the vessels under a single brand name, Glenda International Management. As of 31 March 2007, Glenda International Management Limited operated 19 MR product tankers, including five of our owned MRs and six MRs which the Group chartered in as part of this commercial arrangement. d'Amico International Shipping employs all its vessels through its partnerships, except for eight MRs, which are operated directly through long-term time charter contracts with Exxon, Total and Glencore.

d'Amico International Shipping is a subsidiary 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. Today, the d'Amico Group manages and controls over 65 owned and chartered in vessels, including the vessels of our fleet. 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, through d'Amico Ireland Limited, technical management services, as well as all safety, quality and technical products and services to the owned vessels, including crewing and insurance arrangements.

The Group has offices in Dublin, London, Monte Carlo and Singapore. In addition, d'Amico International Shipping is also represented through the offices of our partnerships in New York, Copenhagen, Venice and Tokyo. As at 31 March 2007, the Group employed 332 seagoing personnel and 43 onshore personnel.

FLEET

The following tables set forth information about our current fleet as at 31 March 2007:

MR Current Fleet				
Name of vessel	**Dwt**	**Year built**	**Builder, Country**	**IMO Classified**
Owned				
High Venture	51,087	2006	STX, South Korea	IMO II / III
High Progress	51,303	2005	STX, South Korea	IMO II / III
High Performance	51,303	2005	STX, South Korea	IMO II / III
High Valor	46,975	2005	STX, South Korea	IMO II / III
High Courage	46,975	2005	STX, South Korea	IMO II / III
High Endurance	46,992	2004	STX, South Korea	IMO II / III
High Endeavour	46,992	2004	STX, South Korea	IMO II / III
High Challenge	46,475	1999	STX, South Korea	IMO II / III
High Spirit	46,473	1999	STX, South Korea	IMO II / III
High Wind	46,471	1999	STX, South Korea	IMO II / III
Time chartered with purchase option				
High Century	48,676	2006	Imabari, Japan	-
High Prosperity	48,711	2006	Imabari, Japan	-
High Presence	48,700	2005	Imabari, Japan	-
High Harmony	45,913	2005	Shin Kurushima, Japan	-
High Consensus	45,896	2005	Shin Kurushima, Japan	-
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Trust	45,937	2004	Shin Kurushima, Japan	-
High Peace	45,888	2004	Shin Kurushima, Japan	-
High Nefeli	45,976	2003	STX, South Korea	IMO III
Time chartered without purchase option				
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	-
High Tide	45,018	1989	Daewoo, South Korea	-
High Seas	45,018	1989	Daewoo, South Korea	-

Handysize Current Fleet

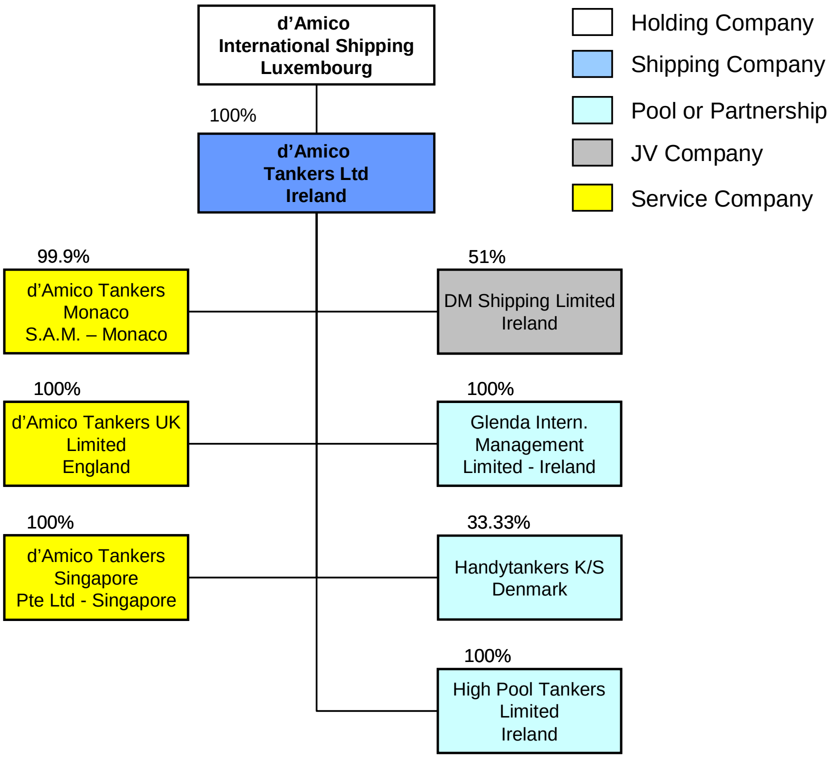
Name of vessel	Dwt	Year built	Builder, Country	IMO Classified
Owned				
Cielo di Salerno	36,032	2002	STX, South Korea	IMO III
Cielo di Parigi	36,032	2001	STX, South Korea	IMO III
Cielo di Londra	35,985	2001	STX, South Korea	IMO III
Bare Boat without purchase option				
Cielo di Guangzhou	38,877	2006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

Handysize Partial Interests Current Fleet

Name of vessel	Dwt	Year built	Builder, Country	Partial Interest	IMO Classified
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
Orontes	37,274	2002	Hyundai, South Korea	50%	IMO III
Ohio	37,999	2001	Hyundai, South Korea	50%	IMO III

GROUP STRUCTURE

Set out below is d'Amico International Shipping Group's[1] structure:



[1] Group structure does not include Glenda International Shipping Limited, a dormant company owned by d'Amico Tankers Ltd.

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 centers 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. The majority of refined petroleum products transported at sea is carried in MR vessels. Usually, their size permits 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 tonnes, 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]	28%	49%	23%

The market for shipping refined petroleum products is generally highly cyclical and volatile, and this affects the supply and demand for product tanker capacity. However, during the past three years, the product tanker shipping market has experienced overall increasing freight rates resulting in improved earnings and market growth.

[1] Source: Clarksons Research Services Limited. As at 1 March 2007. % of total product tankers (3,119 vessels).

HIGHLIGHTS

KEY FINANCIALS

US$ Thousand	**31 March 2007 (1st Quarter)**	**31 March 2006 (1st Quarter)**
Time charter equivalent (TCE) earnings	68 688	67 852
Gross operating profit / EBITDA	33 709	62 113
Operating profit / EBIT	26 282	56 768
Net profit	19 993	48 876
Excluding gain from vessels disposals		
Gross operating profit / EBITDA	33 709	32 134
as % of margin on TCE	*49.1%*	*47.4%*
Operating profit / EBIT	26 282	26 789
as % of margin on TCE	*38.3%*	*39.5%*
Net profit	19 993	19 697
as % of margin on TCE	*29.1%*	*29.0%*
Operating cash flow	25 376	26 761
Gross CAPEX	700	92
	As at 31 March 2007	**As at 31 December 2006**
Net financial indebtedness	225 404	226 288

OTHER OPERATING MEASURES

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
Daily operating measures		
TCE earnings per employment day (US$)[1]	22 574	23 542
Fleet development		
Total vessel equivalent	36.0	34.6
-Owned	13.0	10.1
-Chartered	20.3	22.3
-Partial Chartered	2.7	2.2
Vessel equivalent %:		
-Owned	36.1%	29.2%
-Chartered	56.4%	64.4%
-Partial Chartered	7.5%	6.4%
Off-hire days / available vessel days[2] (%)	2.4%	1.4%
Fixed rate contract/Available vessel days[3] (coverage %)	42.1%	45.2%

[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, less commissions charged by external brokers and commercial managers. Calculations also exclude chartered vessels in which the Group has a partial interest, since distributions paid by the pool 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 fiscal year 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 year being considered. To calculate TC days for vessels employed within the High Pool, we first had to calculate the ratio of TC days/available vessel days (the pool coverage ratio) for all vessels employed within the pool, from each of our vessels' pool entry dates. The number of TC days for a vessel was then determined as the product of the pool's coverage ratio since that vessel's pool entry and the number of days that vessel was operated within the pool. For vessels employed within Glenda International Management, the results from vessels are not pooled; we therefore used contractual commitments of each individual vessel to determine its coverage ratio. For vessels employed within the Handytankers Pool, we are not responsible for administrative functions and therefore have access to less detailed operating data, compared to the High Pool. TC days for these vessels was therefore determined using the average pool coverage ratio for the fiscal year being considered, rather than the ratio from the entry date of each of our vessels.

REPORT ON OPERATIONS

HIGHLIGHTS OF THE GROUP'S PERFORMANCE IN THE FIRST QUARTER OF 2007

During the quarter, the Group achieved a net profit of US$20.0 million, and gross operating profit (EBITDA) of US$33.7 million. In addition, the Group's key financials and margins have improved, if we exclude non-recurring gains from the disposal of assets, with respect to the same period last year, with Time Charter Equivalent earnings, EBITDA and net profits, rising by 1.2%, 4.9% and 1.5%, respectively.

The improvement in performance over the previous quarter was driven mainly by the 4.0% growth in the average number of vessels managed to 36.0, partially off-set by a decrease in average TCE earnings achieved by the Groups' vessels over the quarter of 4.1%, to US$22,574 per day.

Earnings achieved during the first quarter of 2007, were influenced to a large extent by the performance of vessels exposed to the Spot market, which represented 58% of our available vessel days for the period.

In this respect the year started with freight rates lower than those for the end of 2006, but these have rebounded positively to varying degrees in most areas through the first and into the second quarter. In particular, the Western Hemisphere outperformed the Eastern markets for most of the year to date. Despite a steady influx of new buildings during the period, freight markets have remained relatively strong in most areas, which is a positive indicator for the rest of the year.

Western hemisphere had a very positive first quarter with product tanker rates increasing due to large demand for gasoline into the United States coupled with a slow down of exports from Venezuela and long port delays for imports into some US ports and in West Africa. In addition, during the quarter, IMO classified vessels were occupied with the vegetable oil trade in South America, contributing to an improvement in rates in the Atlantic Basin market. The Eastern hemisphere saw the product tanker rates move up at a much slower pace with improvements recorded only towards the end of the first quarter and moving into the second quarter. The slower markets in the East were attributable to Asia refinery maintenance, reducing product availability, and opportunities for long haul arbitrage business.

Operating performance

US$ Thousand	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
Revenue	83 408	81 857
Voyage costs	(14 720)	(14 004)
Time charter equivalent earnings	**68 688**	**67 852**
Time charter hire costs	(24 377)	(27 946)
Other direct operating costs	(8 159)	(6 538)
Result on disposal of vessels	-	29 978
General and administrative costs	(3 190)	(1 924)
Other operating Income	748	690
Gross operating profit / EBITDA	**33 709**	**62 113**
Depreciation	(7 427)	(5 345)
Operating profit / EBIT	**26 282**	**56 768**
Net financial income (charges)	(4 147)	(3 939)
Income taxes	(2 142)	(3 952)
Net profit	**19 993**	**48 876**

Revenue for the first quarter of 2007 amounted to US$83.4 million, compared to US$81.9 million for the first quarter of 2006. The increase of 1.9% reflects the expansion of our fleet to an average of 36.0 vessels for the first quarter of 2007, from an average of 34.6 vessels for the same period last year, and the higher proportion of employment days pursuant to Spot contracts for the quarter ended 31 March 2007.

Voyage costs increased by 5.1% to US$14.7 million for the first quarter of 2007, from US$14.0 million for the first quarter of 2006. The increase reflects the expansion of our fleet and the higher proportion of vessels employed on Spot and COA voyages, where such costs are payable by us.

Time charter equivalent earnings for the first quarter of 2007 were of US$68.7 million, 1.2% higher than for the same period last year. The increase is attributable to a 4.0% growth in the average number of available vessels to 36.0 for the first quarter of 2007, from 34.6 for the same period last year. The fleet's growth positive effect on earnings was partially off-set by a slight increase in the number of off-hire days (attributable to a higher number of planned dry-docks during the quarter) to 2.4% of available vessel days for the first quarter of 2007, from 1.4% for the same period last year, and by a decrease in TCE earnings per employment day of 4.1%, to US$22,574 per day for the first quarter of 2007, from US$23,542 per day for the same very strong period last year. The daily TCE earnings rate for the first quarter of 2007 is, however, not only high by historical standards, and above the average rate for fiscal year 2006 (US$20,885 per day), but also above the Group's expectations for the quarter.

Time charter hire costs for the first quarter of 2007 were of US$24.4 million, 12.8% lower than those for the same period last year, which amounted to US$27.9 million. The reduction in Time charter hire costs is attributable mostly to a reduction of 8.9%

in the average number of vessels on Time charter in, which amounted to 20.3 vessels on average for the first quarter of 2007, compared to 22.3 vessels for the first quarter of 2006.

Other direct operating costs 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$8.2 million in the first quarter of 2007, compared to US$6.5 million for the first quarter of 2006. The 24.8% increase is attributable mostly to the growth of 27.5% in the average number of owned vessels from 10.1 in the first quarter of 2006 to 13.0 in the first quarter of 2007.

General and administrative expenses for the first quarter of 2007, of US$3.2 million, were 65.8% higher than those recorded for the same period last year of US$1.9 million. The increase in these expenses is attributable mainly to non-recurring costs recorded in the first quarter of 2007, amounting to US$0.6 million, associated with the group's reorganisation, which took place as part of the Initial Public Offering of our shares.

Gross operating profit (EBITDA) for the first quarter of 2007 amounted to US$33.7 million, compared to US$62.1 million for the same period last year. Excluding, for comparison purposes, the gain occurred in 2006 arising from the disposal of vessels, however, EBITDA for the first quarter of 2007 was 4.9% higher than for the first quarter of 2006, which amounted to US$32.1 million. As a percentage of Time charter equivalent earnings, and excluding gains on the disposal of vessels, gross profit margins rose from 47.4% to 49.1%. This improvement in margins is attributable to an increase in the proportion of owned vessels, and to a reduction in the average daily time charter hire costs and other direct operating costs for time chartered in vessels, which more than compensated for the slight reduction in the average daily earnings.

Depreciation for the first quarter of 2007 amounted to US$7.4 million, rising by 38.9% compared to the same quarter last year. The increase in this item is attributable mainly to a growth of 27.5% in the average number of owned vessels for the first quarter of 2007, compared to the same period last year, but also to a higher average cost for vessels acquired during 2006, compared to those bought previously.

Operating profit for the first quarter of 2007 amounted to US$26.3 million, in line with the result of the first quarter 2006 (US$26.8 million excluding the gain on disposal of vessels), despite the increase in depreciation charges, attributable to the increase of the owned fleet. As percentage of time charter equivalents earnings, operating profit was of 38.3% (39.5% for the first quarter of 2006).

Net financial charges for the first quarter of 2007 amounted to US$4.1 million, an increase of 5.3% from US$3.9 million for the first quarter of 2006. The increase reflects both the previously mentioned increase in the average number of owned vessels and therefore an increase in d'Amico International Shipping's total indebtedness with respect to the first quarter 2006, as well as an increase in average US$ LIBOR rates, from which the company was partially protected through interest rate swaps. It should be pointed out that Interest expense per owned vessel fell, however, since the percentage increase in the average number of owned vessels, of 27.5%, was higher than the increase in interest expense of 5.3%, reflecting a lower average indebtedness per vessel.

Profit before tax for the first quarter of 2007 amounted to US$22.1 million (33.2% of Time charter equivalent earnings), compared to US$52.8 million for the first quarter of

2006. Excluding the effect from the disposal of vessels, profit before tax for the first quarter 2007 remained stable with respect to the result of US$22.9 million of the first quarter of 2006 (33.7% of Time charter equivalent earnings).

Income taxes arise essentially from the Group's key-operating entity, d'Amico Tankers Ltd (Ireland). Since the outcome from our application for the tonnage tax regime is still pending, income taxes have continued to be accounted at the standard Irish corporate income tax rate of 12.5%. In the tonnage tax regime taxes are calculated on the notional income of the vessel, which is dependent on the size of the vessel, rather than on its profits. Entry into this regime should substantially reduce and increase the predictability of, income taxes.

Net profit for the first quarter of 2007 amounted to US$20.0 million, compared to US$48.9 million for the first quarter of 2006. Excluding the after-tax gain on the disposal of vessels, however, net profits rose to US$20.0 million for the first quarter of 2007, from US$19.7 million for the first quarter of 2006. Net Profit margins for the first quarter of 2007, of approximately 29.1%, remained stable compared to the first quarter of 2006 (29.0% excluding after tax profits on the disposal of vessels).

BALANCE SHEET

US$ Thousand	**As at 31 March 2007**	**As at 31 December 2006**
ASSETS		
Non current assets	368 949	377 621
Current assets	69 376	58 294
Total assets	**438 324**	**435 915**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	148 942	153 990
Non current liabilities	259 263	197 893
Current liabilities	30 119	84 032
Total liabilities & shareholders' equity	**438 324**	**435 915**

Non current assets are comprised almost entirely of the fleet (owned vessels). During the first quarter of 2007 there were no significant capital expenditures, since no vessels were acquired.

***Current assets**,* excluding cash and cash equivalents (US$25.2 million as at 31 March 2007), mainly refer to working capital items (trade receivables).

Non current liabilities consist of the long-term portion of debt due to banks, disclosed under the Financial position section below, while current liabilities include working capital items (trade payable and other liabilities).

The decrease in ***shareholders' equity*** from US$153.9 million as at 31 December 2006, to US$148.9 million as at 31 March 2006, is attributable to dividends of US$25.0 million declared by d'Amico Tankers Limited in January 2007, prior to its transfer to d'Amico International Shipping, and to an increase attributable to d'Amico

International Shipping's consolidated net profits for the period, amounting to US$20.0 million.

FINANCIAL POSITION

Net financial indebtedness, amounted to US$ 225.4 million as at 31 March 2007, compared to US$ 226.2 million as at the end of 2006. The ratio of net debt to shareholder's equity corresponds to 1.5, at the end of the first quarter 2007.

US$ Thousand	**As at 31 March 2007**	**As at 31 December 2006**
Liquidity		
Cash and cash equivalents	25 162	13 932
Securities held for trading	-	-
Current financial receivables		
From related parties	-	-
From third parties	-	-
Other current financial assets	-	-
Total current financial assets	**25 162**	**13 932**
Bank loans – current	-	16 000
Other current financial liabilities		
Due to related parties	2 316	36 496
Due to third parties	-	-
Total current financial debts	**2 316**	**52 496**
Net current financial indebtedness	**(22 846)**	**38 564**
Bank loans – non current	248 250	185 400
Other non current financial liabilities		
Due to related parties	-	2 324
Due to third parties	-	-
Total non current financial debt	**248 250**	**187 724**
Net financial indebtedness	**225 404**	**226 288**

The financial indebtedness has been fully refinanced in March 2007, following the long term (10 years) revolving facility agreement of US$350.0 million arranged between the operating subsidiary, d'Amico Tankers Ltd (Ireland) and Calyon, and which has been syndicated by other primary banking institutions (Intesa Sanpaolo S.p.A., Fortis

Bank (Nederland) N.V., The Governor and the Company of the Bank of Ireland, Norddeutsche Landesbank Girozentrale, and Scotiabank (Ireland) Limited).

The drawn down amount on this facility as at the end of March 2007, net of arrangement fees accounted for under the amortized cost method, is of US$ 248.3 million, which has been used to fully repay the previous debt, including almost all the financial debt due to related parties (d'Amico Group).

The principal amount available through the facility at any given time, is reduced by $15.5 million every six months down to a final payment of $40.0 million at maturity. We may draw down on a revolving basis such that the aggregate outstanding amount due does not exceed the maximum available amount at any given time, subject to the requirements relating to facility reductions. However, the amount outstanding at any given time must not be higher than 66.6% of the fair market value of the vessels owned by the Group, which are subject to mortgages pursuant to the facility. In addition, the maximum amount that the Group will be able to draw-down will also be limited by its EBITDA to financial costs ratio. This ratio is calculated on the estimated total amount of d'Amico International Shipping's interest payable in the six months following any draw down date, and may not be lower than 1.65:1.

The facility provides certain covenants, calculated on the basis of the consolidated financial statements of the Group, which can be summarised as follows: (i) cash available, including under 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 $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%.

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

Interest on any amount outstanding under the facility 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%.

CASH FLOW

Net cash flow for the first quarter amounted to US$ 11.2 million, increasing cash & cash equivalents to US$ 25.1 million as at 31 March 2007, from US$ 13.9 million at the end of December 2006.

US$ Thousand	**31 March 2007 (1st Quarter)**	**31 March 2006 (1st Quarter)**
Cash flow from operating activities	25 376	26 761
Cash flow from investing activities	1 178	69 913
Cash flow from financing activities	(15 323)	(96 769)
Change in cash balance	**11 230**	**(95)**
Net increase/(decrease) in cash & cash equivalents	**11 230**	**(95)**
Cash & cash equivalents at the beginning of the period	13 932	10 494
Cash & cash equivalents at the end of the period	**25 162**	**10 399**

Cash flow from operating activities, for the first quarter of 2007, amounted to US$25.4 million, including the effects arising from the refinancing which occurred in March 2007, leading to the payment, at that point in time, of all interest accrued and not yet paid, as opposed to the more staggered payments in 2006, arising from the different financing arrangements and associated settlement dates

Cash *flow from investing activities* of the first quarter of 2006 was significantly influenced by the disposal of certain vessels (US$ 70 million). As already disclosed in the Balance sheet analysis section, during the first quarter of 2007, there were no significant capital expenditures, as no new vessels have been acquired. *Cash flow from financing activities*, net of the effect of the refinancing (revolving facility) includes a dividend payment of US$ 25.0 million.

SIGNIFICANT EVENTS SINCE THE END OF THE FIRST QUARTER AND BUSINESS OUTLOOK

INITIAL PUBLIC OFFERING (IPO)

At the beginning of May 2007 d'Amico International Shipping was successfully listed on the Milan (Italy) Stock Exchange. The price for d'Amico International Shipping S.A.'s 68,976,957 shares offered (including 8,996,994 Greenshoe shares) was fixed at 3.5 Euros. The Italian Retail Offering, representing 5,998,500 shares, was five times oversubscribed, and at the offer price, the Institutional Placement, representing the remaining 62,978,457 shares, was over two times oversubscribed. The Retail Offering was reserved for the Italian public and the Institutional Offer, distributed to Institutional Investors in Italy and abroad, including a placement in the US to 144A investors. Dealings on the Mercato Telematico Azionario (MTA) – Star segment – organized and managed by Borsa Italiana S.p.A. started on 3 May 2007, and the attribution of the Star Status, will be communicated by a subsequent notice by Borsa Italiana S.p.A. according to the current "Market Regulations".

The strong level of interest expressed by Institutional Investors worldwide confirms the market's appreciation of the Group and of its history of growth. Joint Global Coordinators of the offering were JPMorgan and Capitalia. JPMorgan acted as sole bookrunner of the institutional offering. Capitalia acted as Lead Manager, Sponsor and Specialist of the offering. Tamburi Investment Partners S.p.A. acted as financial advisor. Bain & Company Italy acted as industrial advisor.

VESSEL OPTION EXERCISE

In accordance with the Group's fleet expansion strategy, d'Amico Tankers Ltd. has declared the purchase option on M/T High Trust, for delivery during July-August 2007.

BUSINESS OUTLOOK

The key drivers that have, and should continue to affect the product tanker freight markets in the second quarter are:

For the Western hemisphere:

- Strong demand for petroleum products imports into the United States.
- Reduced exports of petroleum products from Venezuela, creating longer haul trades.
- Discharge port delays in the United States Atlantic coast.
- The reclassification of the carriage of vegetable and palm oil to IMO classified vessels, which has absorbed many modern IMO product tankers with exports of vegetable oil from Argentina.

For the Eastern hemisphere:

- Freight levels increasing as petroleum products refineries in the Eastern hemisphere increase production, and are coming out of longer than anticipated maintenance programs.
- Discharge port delays in East Africa.
- Arbitrage for long haul trade of petroleum products to US West Coast and Western hemisphere via Suez, opening up again.
- Reclassification of the carriage of vegetable and palm oil to IMO classified vessels, sustaining freight levels for palm oil exports from the East to Europe and creating inter regional trades for modern IMO vessels.

Looking beyond Q2 we expect the key drivers of freight rates will be:

A healthy order book, which however, is to a large degree expected to be offset by:

- Continued increase in ton/miles carriage of petroleum products.
- Mismatch between product mix of refineries and demand for these products, in geographic region where the same refineries are located.
- Demand for modern IMO classified vessels for the growing vegetable and palm oil trade.
- Accelerated scrapping of older single hull vessels, witnessed so far in 2007, continuing during the remainder of the year

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES

CONSOLIDATED INCOME STATEMENT

US$ Thousand	Note	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
Revenue	2	83 408	81 857
Voyage costs	3	(14 720)	(14 004)
Time charter equivalent earnings	4	**68 688**	**67 852**
Time charter hire costs	5	(24 377)	(27 946)
Other direct operating costs	5	(8 159)	(6 538)
Result on disposal of vessels	6	-	29 978
General and administrative costs	5	(3 190)	(1 924)
Other operating income	5	748	690
Gross Operating Profit		**33 709**	**62 113**
Depreciation	7	(7 427)	(5 345)
Operating Profit		**26 282**	**56 768**
Net financial income (charges)	8	(4 147)	(3 939)
Income taxes	9	(2 142)	(3 952)
Net profit		**19 993**	**48 876**
Attributable to:			
Equity holders of the parent		**19 993**	**48 876**
Minority interests		-	-
Earnings per share[1]		**0.155**	**0.379**

[1] Since d'Amico International Shipping was only incorporated in 2007, to enable comparability, earnings per share for Q1 2006 were calculated by dividing the profit for the period by d'Amico International Shipping's shares outstanding as at 31 March 2007.

CONSOLIDATED BALANCE SHEET

US$ Thousand	Note	As at 31 March 2007	As at 31 December 2006
ASSETS			
Non current assets	10		
Intangible assets		13	-
Tangible assets		368 931	377 571
Financial fixed assets		4	50
Total non current assets		**368 948**	**377 621**
Current assets	11		
Inventories		6 300	5 213
Receivables and other current assets		37 914	39 149
Cash and cash equivalents		25 162	13 932
Total current assets		**69 376**	**58 294**
Total assets		**438 324**	**435 915**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		128 957	159
Retained earnings		19 993	154 367
Other reserves		(8)	(536)
Total shareholders' equity		**148 942**	**153 990**
Non current liabilities	12		
Banks and other lenders		248 250	197 893
Other non current liabilities		11 013	-
Total non current liabilities		**259 263**	**197 893**
Current liabilities	13		
Banks and other lenders		-	16 000
Other financial current liabilities		2 316	36 496
Payables and other current liabilities		27 803	31 536
Total current liabilities		**30 119**	**84 032**
Total liabilities & shareholders' equity		**438 324**	**435 915**

CONSOLIDATED CASH FLOW STATEMENT (CONDENSED)

US$ Thousand	**31 March 2007 (1st Quarter)**	**31 March 2006 (1st Quarter)**
Cash flow from operating activities	25 376	26 761
Cash flow from investing activities	1 178	69 913
Cash flow from financing activities	(15 323)	(96 769)
Change in cash balance	**11 230**	**(95)**
Net increase/ (decrease) in cash & cash equivalents	**11 230**	**(95)**
Cash & cash equivalents at the beginning of the period	13 932	10 494
Cash & cash equivalents at the end of the period	**25 162**	**10 399**

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

US$ Thousands	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	128 814	(128 814)	-	-
Other changes	(51)	(553)	528	(76)
Profit for the period	-	19 993		19 993
Balance as at 31 March 2007	128 957	19 993	(8)	148 942

EXPLANATORY NOTES

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

The Quarterly Report has been prepared in compliance with IAS 34 - *Interim financial reporting*. The Quarterly Report is expressed in U.S. Dollars being the functional currency of the Group.

1. ACCOUNTING POLICIES

This first quarter report has been prepared applying the same accounting principles adopted for the d'Amico Tankers Limited (Ireland) previous year financial statements and for the combined financial statements as at 31 December 2006 included in the Prospectus, dated 26 April 2007, prepared for the listing of the share (Initial Public Offering). It should be noted that the adjustments of US$ 12.1 million, relating to the accumulated depreciation, made in the combined financial statements, shown in the Prospectus for the listing process, has been eliminated in these quarterly accounts, as this combining adjustment was only included for comparison purposes with respect to the prior years results.

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

BASIS OF CONSOLIDATION

This quarterly report presents the results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the quarter ended 31 March 2007. d'Amico International Shipping 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 in the d'Amico Group – Tanker division operating entities. The results for the quarter therefore include those of the entities 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.. The 2006 comparatives data are presented on a consistent and combined basis, making reference to the entities in place at that time.

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

Revenue

All freight revenues and voyage expenses are recognised on a percentage completion basis. The discharge to discharge basis is used in determining percentage of completion for all spot voyages and voyages servicing COAs. Under this method, the freight revenue is recognised evenly over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. Revenues from time charters accounted for as operating leases are recognised rateably over the rental periods of such charters, as service is performed.

Revenue received from the partnership arrangements is based on the participation of the Group’s vessels in the pools, calculated by using the number of available vessel days as adjusted by share of pool points, where applicable. Revenue received from the participation in the Handytankers Pool is accounted for on a time charter equivalent basis and is net of voyage costs and fees associated with the pool.

Revenue received from demurrage is recognised at the completion of the voyage. It represents the compensation estimated as a result of exceeding the permitted time for discharging a vessel. These revenues are accounted for net of the provision made in respect of demurrage claims where full recovery is not anticipated.

Voyage costs and other direct operating costs

In connection with the employment of the fleet in the spot market and under COAs, (contracts of affreightments) voyage costs are incurred.

Hire rates paid for chartering in vessels are charged to the income statement account on an accrual 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.

Fixed Assets, Depreciation and Impairment

The value of the owned vessels is shown on the balance sheet at cost less accumulated depreciation and any impairment loss. Cost represents the acquisition cost of the vessels as well as other costs which are directly attributable to the acquisition or construction of the vessel. When a vessel is acquired, the cost is analysed between its various components being vessel cost, tank coatings and estimated dry dock element.

Depreciation is provided on the vessels on a straight line basis over their expected useful economic life from the date the vessels were constructed, after allowing for a residual value based on current prevailing market scrap rates. The vessel tank coatings are depreciated over ten years and the estimated dry dock element is depreciated over the period to the expected first dry dock. Write down is made for any impairment of vessels. The remaining useful economic life is estimated at the date of acquisition or delivery from the shipyard and is reassessed yearly. The new vessels contracted are estimated to have a useful economic life of 17 years.

Vessels in the course of construction (Newbuildings) are shown at cost less any identified impairment losses. Costs relating to newbuildings include installment payments made to date, financing costs and other vessel costs incurred during the construction period. Depreciation commences upon vessel delivery.

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 costs of dry-docking are capitalised and amortised over the period to the next dry-docking, estimated at 30 months. 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.

Impairment charges

At each reporting date, it is assessed whether there is any indication that an asset may be impaired. Impairment charges are recognised whenever the carrying amount of an asset or equipment exceeds its recoverable amount. 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. 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. 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 are estimated. These estimates are based on historical trends as well as future expectations.

Disposal of vessels

The profits 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.

Inventories

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

Taxation

The income tax expense represents the sum of current tax and deferred tax. Current tax represents that 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 as at the balance sheet date.

Deferred tax represents the tax it is expected 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 combined 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.

Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority and we intend to settle our current tax assets and liabilities on a net basis.

Income taxes are recognised in the interim report based upon the best estimate of the weighted average income tax rate expected for the full financial year.

FOREIGN EXCHANGE RATES

Most of the Groups' revenues and costs are denominated in U.S. dollars. 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 retained earnings account.

DERIVATIVES INSTRUMENTS

Derivative financial instruments are used to hedge our exposure to interest rate risks and currency fluctuations. They are initially recognised at cost and subsequently stated at fair value.

Interest rate swaps representing cash flow hedges are stated at fair value. Unrealised gains or losses on the effective part of the hedge are accounted for directly in equity. The unrealised gain or loss on any ineffective parts of the hedge or any other interest rate swaps not qualifying for hedge accounting are dealt with in the income statement as part of the net finance costs.

Forward currency contracts used to partially hedge exposure on the vessel purchase options denominated in Japanese yen are recorded in the balance sheet at fair value. The gains or losses are dealt with in the income statement as part of net finance costs.

CRITICAL ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of interim 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 our business. The key areas where this applies are listed below.

Vessel carrying values. The carrying value of vessels may significantly differ from their fair 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. It 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.

2. REVENUE

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
	83 408	81 857

Vessel income, representing revenues received for hire, freight, demurrage and our participation in pools.

3. VOYAGE COSTS

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
Bunkers (fuel)	(7 914)	(6 888)
Commissions payable	(1 444)	(2 037)
Port charges	(5 252)	(5 077)
Other	(110)	(3)
Total voyage costs	(14 720)	(14 004)

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.

4. TIME CHARTER EQUIVALENTS EARNINGS

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
	68 688	67 852

Time charter equivalents earnings represent revenue less voyage costs. It represents the standard industry measure for comparative purposes.

5. Time charter in costs, other direct operating costs, General and administrative costs, and Other operating income

	31 March 2007 (1st Quarter)	31 March2006 (1st Quarter)
Time charter hire costs	(24 377)	(27 946)
Other direct operating costs	(8 159)	(6 538)
General and administrative costs	(3 190)	(1 924)
Other Operating Income	748	690

Time charter hire costs represent expenses we incur for chartering in vessels from a third party.

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

General and administrative costs include salaries paid to on-shore personnel, rent, foreign exchange gains and losses', arising from the company's operating activities, and other sundry expenses originating from the operation of d'Amico International Shipping's group companies.

Other operating income reflects management commissions earned for services provided to the Handytankers pool.

6. Result on disposal of vessels

31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
-	29 978

Result on disposal of vessels, is equal to the vessel's sale price net of costs relating to its disposal, less its accounting net book value at the time of sale. No sales of vessel occurred during the first quarter of 2007.

7. Depreciation

31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
(7 427)	(5 345)

Depreciation charges essentially refer to the depreciation of the acquisition cost of owned vessels. In addition, it includes amortisation of owned vessels' dry-docks costs, amounting to US$0.3m for both the first quarter of 2007 and the first quarter of 2006, as well as depreciation on furniture, fittings and equipment.

8. NET FINANCIAL CHARGES

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
Financial costs	(4 282)	(4 005)
Financial income	135	66
Net financial charges	(4 147)	(3 939)

Financing costs includes interest expense on bank loans, fees paid to banks relating to bank loans, expense relating to swap arrangements, and net losses on the mark to market of foreign exchange derivative instruments. Financial income includes interest income, and net gains on the mark to market of foreign exchange derivative instruments.

The net loss on foreign exchange derivative instruments for the first quarter of 2007, amounts to $0.02 million. There were no foreign exchange derivative instruments outstanding during the first quarter of 2006.

Expenses relating to Swap arrangements amounted to $0.4 million in both the first quarter of 2007, and in the first quarter of 2006.

9. INCOME TAXES

	31 March 2007 (1st Quarter)	31 March 2006 (1st Quarter)
	(2 142)	(3 952)

Taxes for the d'Amico International Shipping Group are attributable almost entirely to profits generated by the d'Amico Tankers Limited subsidiary, incorporated in Ireland. Taxes for d'Amico Tankers Limited, for the two periods being compared were calculated assuming the Irish Corporate income tax rate of 12.5% of the profit on ordinary activities (as that profit is adjusted for tax purposes). Capital gains are subject to a tax rate of 20%.

The company has, however, applied to enter the tonnage tax regime in Ireland, and expects to enter such scheme already in 2007. 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. Entry into this program would substantially reduce the tax liability for 2007, compared to 2006.

10. NON CURRENT ASSETS

	As at 31 March 2007	As at 31 December 2006
Intangible fixed assets	13	-
Tangible fixed assets	368 931	377 571
Financial fixed assets	4	50
Total	368,948	377,621

Intangible Fixed assets represent the acquisition cost less depreciation, of our software licenses.

Tangible fixed assets include the acquisition cost for owned vessels (the fleet) and the expenditures for these vessels' dry docks, less depreciation.

Financial fixed assets, as at 31 March 2007, represent the value of our investment in the Handytankers pool.

11. CURRENT ASSETS

	As at 31 March 2007	As at 31 December 2006
Inventories	6 300	5 213
Receivables and other current assets	37 914	39 149
Cash and Cash equivalents	25 162	13 932
Total	69 376	58 294

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

Receivables at 31 March 2007, include Trade receivables amounting to US$29.9 million, and receivables from other debtors amounting to US$2.1 million. Other current assets consist of prepayments and accrued income amounting to US$5.9 million.

12. NON CURRENT LIABILITIES

	As at 31 March 2007	As at 31 December 2006
Banks and other lenders	248 250	187 724
Other non current liabilities	11 013	10 168
Total	259 263	197 893

The debt balance due to banks and other lenders as at 31 March 2007 relates to the entire amount outstanding of US$250.0 million (less the unamortized portion, amounting to US$1.8 million, of the arrangement fees paid at draw-down), under the new US$350.0 million revolving loan facility negotiated with Calyon and other banks.

This facility allowed d'Amico International Shipping to fully refinance existing bank debt at 31 December 2006, amounting to US$201.4 million, of which the non-current portion amounted to US$185.4 million, and to repay US$36.5 million in debt (included in current liabilities) due to related parties (subsidiaries of the ultimate parent company d'Amico Società di Navigazione S.p.A.) as at 31 December 2006. Key terms and conditions of the new facility have been disclosed in the Report on Operations section. Bank and other lenders as at 31 December 2006, also includes US$2.3 million in shareholder loans from d'Amico International SA, d'Amico International Shipping's parent company, to d'Amico Mitsubishi Shipping, a subsidiary of the d'Amico International Shipping.

Other non current liabilities represent Deferred taxes.

13. CURRENT LIABILITIES

	As at 31 March 2007	As at 31 December 2006
Banks and other lenders	-	16 000
Other financial current liabilities	2 316	36 496
Payables and other current liabilities	27 803	31 536
Total	30 119	84 032

Banks and other lenders as at 31 December 2006, relates to the current portion of the bank loans outstanding at the time. The new loan facility has been shown as at 31 March 2007, entirely under long-term debt, since no amortization of the drawn-down amounts is required and future facility reductions will not reduce availability over the next twelve months, below indebtedness outstanding as at 31 March 2007. Key terms and conditions of the new facility have been disclosed in the Report on Operations section.

Other financial current liabilities, amounting to US$2.3 million, as at 31 March 2007, consist of the remaining outstanding financial debt towards d'Amico International SA, the controlling parent of d'Amico International Shipping SA. This inter-group debt arose from the transfer of d'Amico International's shareholder loan to d'Amico Mitsubishi Shipping, classified as a non-current liability, to d'Amico Tanker Limited, classified as a current liability. At 31 December 2006, other current financial liabilities include loans to d'Amico Finance Limited, a d'Amico Group company outside the consolidation perimeter, amounting to US$36.5 million.

Payables and other current liabilities at 31 March 2007, include mainly Trade payables and accrued and deferred income amounting to US$21.2 million, and Taxes payable amounting to US$5.5 million.

Payables and other current liabilities at 31 December 2006, include mainly Trade payables and accrued and deferred income amounting to US$25.8 million, and Taxes payable amounting to US$4.3 million.

14. RELATED PARTIES TRANSACTION

During the first quarter of 2007, d'Amico International Shipping had transactions with related parties, including its ultimate Italian parent company, d'Amico Società di

Navigazione S.p.A (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. 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 S.p.A., for a total cost amounting to $0.8 million, in the first quarter of 2007. In addition, time charter hire costs for three Handy size vessels, chartered from d'Amico Società di Navigazione S.p.A., amounted to $4.6 million during the first quarter of 2007. The related party transactions also include purchases of Intermediate Fuel Oil and Marine Diesel Oil, from a d'Amico Group company, amounting to 27,785 tons, at an average margin of $3.0 per ton, for the first quarter of 2007.

15. DERIVATIVES INSTRUMENTS

d'Amico International Shipping has hedged its Yen exposure for the acquisition of the vessel purchase option, it has declared its intention to exercise, through the forward acquisition of Yen. These forward contracts, open as at 31 March 2006, had a total nominal value of ¥3,720.0 million and mature on 7 June 2007. d'Amico had no other exposure to derivative instruments as at 31 March 2007, having closed the interest rate swap contracts positions open as at 31 December 2006, at the end of March 2007.

16. COMMITMENTS AND CONTINGENCIES

CAPITAL AND OPERATING COMMITMENTS

As of 31 March 2007, the Group's only capital commitments were for a share of 51% in two vessels in course of construction. The Group's 51% share of commitments in respect of these two vessels amounts to Yen 4.32 billion (US$36.6 million[1]), of which commitments over the next twelve months amount to Yen 0.23 billion (US$1.9 million[1]).

As of 31 March 2007, the Group's minimum operating lease rental commitments amounted to US$1,059.1 million, of which commitments over the next twelve months amounted to US$110.3 million.

PURCHASE OPTIONS

d'Amico Tankers Ltd. has declared its intention to exercise an acquisition option on a vessel it currently time charters. In addition to this option, d'Amico Tankers Ltd. has a number of time charter agreements, which include options to purchase the vessel. Exercise of these options is at the discretion of the Group based on the conditions prevailing at the date of the option.

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. Although the sums involved are significant being valued

[1] Converted at the ¥/$ exchange rate as at 30 March 2007, of ¥118.1258 per $1.

between USD 1.0 million and USD 1.5 million, 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

The charge for, and liability in respect of, both current and deferred tax have been booked on the basis of the tax law enacted at the quarterly report date. However, the Groups' key operating subsidiary, d'Amico Tankers Ltd, applied for entry into the current Irish tonnage tax regime, which provides taxation at a fixed amount per ship, based on its tonnage. The current tonnage tax regime in Ireland imposes an obligation to demonstrate an appropriate level of "strategic and commercial management of the vessels" in accordance with Irish tax law, and a minimum vessel ownership requirement of 25%. In addition, the Irish Government has applied to the European Union for approval of an amended tonnage tax regime, which, if approved in the form proposed, would be effective as of 1 January 2006, removing the above mentioned limit. If d'Amico Tankers Ltd will join the tonnage tax regime the effect would be to reduce significantly the current tax charge for the period. In addition, there could also be potential reductions in deferred taxation liabilities in future periods due to the reduction of the clawback of tax depreciation claimed prior to the date of effective entry into the tonnage tax regime. The amount of the reduction would depend upon the period for which vessels taken into the tonnage tax regime are retained by the Group.