



STEAMSHIP MUTUAL

To the Members

August 2005

Dear Sirs,

FINANCIAL UPDATE

At a Board Meeting in Rotterdam on 25th and 26th July 2005 the following developments were reported:

Claims

2004/05 and Prior Years

Overall all years up to and including 2004/05 have continued to develop better than forecast over the first four months of the year, with the pure underwriting surplus on the 2003/04 policy year rising to US\$ 27.3 million and the pure underwriting surplus on the 2004/05 policy year rising to US\$ 11.2 million.

2005/06 Policy Year

After only four months, it is too early to predict with any accuracy the likely outcome of the current year. However gross-owned claims reported to date are some 3.8% below the already low levels experienced at the same stage last year.

Tonnage

The Directors were pleased to note the continued modest organic growth in the Association's owned entry, which has increased by a little over 1 million GT since the renewal.

Mutual Premium

2003/04 Policy Year - Class 2 – FD&D

The deferred instalment of 20% will be debited on 20th August 2005 in the normal way;

2004/05 Policy Year - Class 1 – P&I

The deferred instalment of Mutual Premium of 15% will be debited on 20th August 2005 in the normal way.

Yours faithfully,

THE STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION LIMITED

L.41