



Dec. 16, 2009

Dear Orient Star Offices & Overseas partners,

I would like to draw your attention that an Emergency Revenue Charge (ERC) of USD400/40' other sizes per formula for all the USA destinations will be imposed by the TSA carriers with effect from January 15, 2010. It's odd to see such big surcharge to be imposed in the middle of the service contract in the USA trade but the TSA carriers are very serious this time due to the huge loss they have had to date. They are very firm to proceed with it. Believe the non TSA carriers will take the same action accordingly.

To pave way for the success of the ERC, the liner carriers including Maersk (who will join back TSA very soon) have suspended a number of services in order to cut down the capacity in the market. They would rather idle the ships than carry the container at loss. It is estimated that about 12% of the total fleet will be idled by the end of this year.

With the drastic cut of capacity by the carriers, space has been very tight especially from Central and Northern China since mid October and the situation will get even worse with the further cut of space from the carriers in December. We have already seen a lot of rollovers in December which seldom happened in the past. We can foresee that the situation will get aggravated from mid January due to the Pre-Chinese New Year rush.

Our Pricing Team will do everything we can to mitigate the ERC. However, it's hard to tell what we can get from the carriers at last. To protect our interest, it's important for us to relay the information of the ERC to all our customers immediately so that they can prepare and price it in their new cargo movement.

We'll keep you updated of the ERC status accordingly.

Best Regards,

Orient Star Transport Int'l Ltd.