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**ASSOCIATED BULK CARRIERS PLC
PUBLICATION OF IPO PROSPECTUS**

13th June 2000

Associated Bulk Carriers plc ("ABC"), one of the world's largest independent operators of capesize bulk carriers and currently a wholly owned subsidiary of The Peninsular and Oriental Steam Navigation Company ("P&O"), is today publishing the prospectus for its proposed initial public offering ("IPO") on the Oslo Stock Exchange. A price range has been set of NOK 45 to NOK 60. The offering will be effected by a placing of shares with institutions and a public offering to retail investors in Norway.

ABC has a net asset value of approximately \$190 million and it is expected that the market capitalisation on listing will reflect this. P&O intends to sell between 60% and 69% of its interest in ABC. No new shares are to be issued as part of the offering.

The market for capesize tonnage has improved significantly from the low levels experienced in late 1998 and first half 1999. This turnaround is attributable to a recovery in steel production, particularly in Asia, and a contraction of the capesize fleet during 1998. Average revenues have increased from a low point of approximately \$5,500 per ship per day in 1999 to the current level of approximately \$16,500 per ship per day. ABC made a proforma loss in 1999 but is now trading profitably. The supply/demand outlook over the next two years is positive.

Karl Timmermann, Chief Executive Officer of ABC, said: "The capesize market has been improving strongly and we are confident about future opportunities. ABC is one of the world leaders and we have a high quality modern fleet. With our strong market position and clearly focused management team we look forward to our future as an independent company listed on one of the foremost shipping exchanges in the world".

P&O also announces today the appointment of Jarle Erik Sandvik as Non-Executive Chairman of ABC. Mr Sandvik has held various senior management positions with Statoil and Uni. He is presently a partner at the Norwegian law firm of Wikborg, Rein & Co.

ABC operates a fleet of 22 capesize dry bulk carriers totalling 3.5 million dwt, ranging in size from 110,000 dwt to 210,000 dwt. With an average age of 7 years it is one of the youngest capesize fleets in the world. 15 of the vessels are wholly owned, 5 are operated under bareboat charters with purchase options, and 2 are held under finance leases.

ABC's fleet is employed to service the oceanborne transportation requirements of the world's leading steel producers and power utilities as well as the major suppliers of iron ore, coking coal and steam coal. In providing this service, ABC's ships call at all capesize ports worldwide. ABC has a strong international presence with offices in London, Hong Kong, Tokyo, Beijing and New Jersey.

The expected timetable for the IPO process is:

Book- building period	13-21 June 2000
Pricing and allocation	22 June 2000
First day of trading	4 July 2000

Christiania Markets, a division of Christiania Bank, is lead manager to the offering.

Further information:

Peter Smith Director - Communications and Strategy
P&O
020 7930 4343

Karl Timmermann, CEO, ABC/
Christian Holst, Christiania Markets
Norway 22 48 4510

Note to Editors

1. A reorganisation of ABC was undertaken on 26 May 2000 and its business transferred to a newly incorporated holding company. The vessels were valued by three independent shipbrokers at an average of approximately \$430 million. ABC has net debt and other net liabilities of approximately \$240 million with net assets of approximately \$190 million. ABC will remain a British company following the listing. It is expected that it will operate under the UK tonnage tax.
2. The Board of Directors will be Jarle Erik Sandvik (Non-Executive Chairman), Karl Timmermann (Chief Executive Officer), Nick Loader (Finance Director) and Sir Bruce MacPhail (Non-Executive Director) appointed to represent P&O. It is expected that Dr John Parker, currently Chairman of Babcock Group, will join the board as a Non-Executive Director later in the year.
3. In the year ended 31 December 1999, ABC made a loss after tax of \$42.7 million on a proforma basis. Average revenues during 1999 were \$10,317 per ship per day. In the first quarter of 2000, the loss after tax was reduced to \$3.9 million with average revenues rising to \$13,779 per ship per day.
4. It is expected that P&O will enter into an underwriting agreement with Christiania Markets on or around 22 June 2000. A further announcement will be made at that time. The IPO is dependent upon approval of the listing application by the Board of the Oslo Stock Exchange.

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The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States without registration thereunder or pursuant to an available exemption from registration. No public offering of ABC's securities is being made in the United States.