

Sinking of the Pegasus Tug in Santos, São Paulo

Rio de Janeiro, May 2, 2007.

Saveiros Camuyrano, controlled by Wilson Sons Limited, announces that around 6 a.m. of the same day, on a maneuver to approach the FROTABELÈM ship, which was in the estuary channel (cargo ships' access way to the port terminals in Santos), headed to the Saboó Wharf – Pier 2, the PEGASUS tugboat hit a submerged object, leading to damage that caused it to sink, with no casualties.

The Company has already assessed the impact caused by the accident, and announces that:

1. The current value of the Pegasus tugboat, which was built in 1981 and has conventional propeller (a propelling axle), comes to R\$1.7 million. The Pegasus tugboat is not considered relevant for the Company's tugging operations, which accounted for 36% of our net global revenue (US\$119 million) in 2006.

2. Our operations at the Port of Santos will not be interrupted, since we have enough units to meet the demand for services despite Pegasus' unavailability.

The Company has units that are strategically positioned for potential emergency replacements such as this. Thus, it has neither damaged the continuity of operations nor the agreements in force.

3. The tugboat is expected to be repaired within four to six months. We will keep the market informed about this issue.

4. The vessel is insured, and the insurance covers resurfacing (rescue) and recovery, with a R\$200,000.00 franchise.

5. As mentioned in item 2, the interruption of Pegasus' operations should not lead to revenue losses. Consequently, this event will not affect Saveiros and Wilson Sons' operations.

6. We are taking all possible measures to avoid environmental damages, and these possible risks are covered by our liability insurance (P&I – Protection & Indemnity).

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