



Pacific Basin

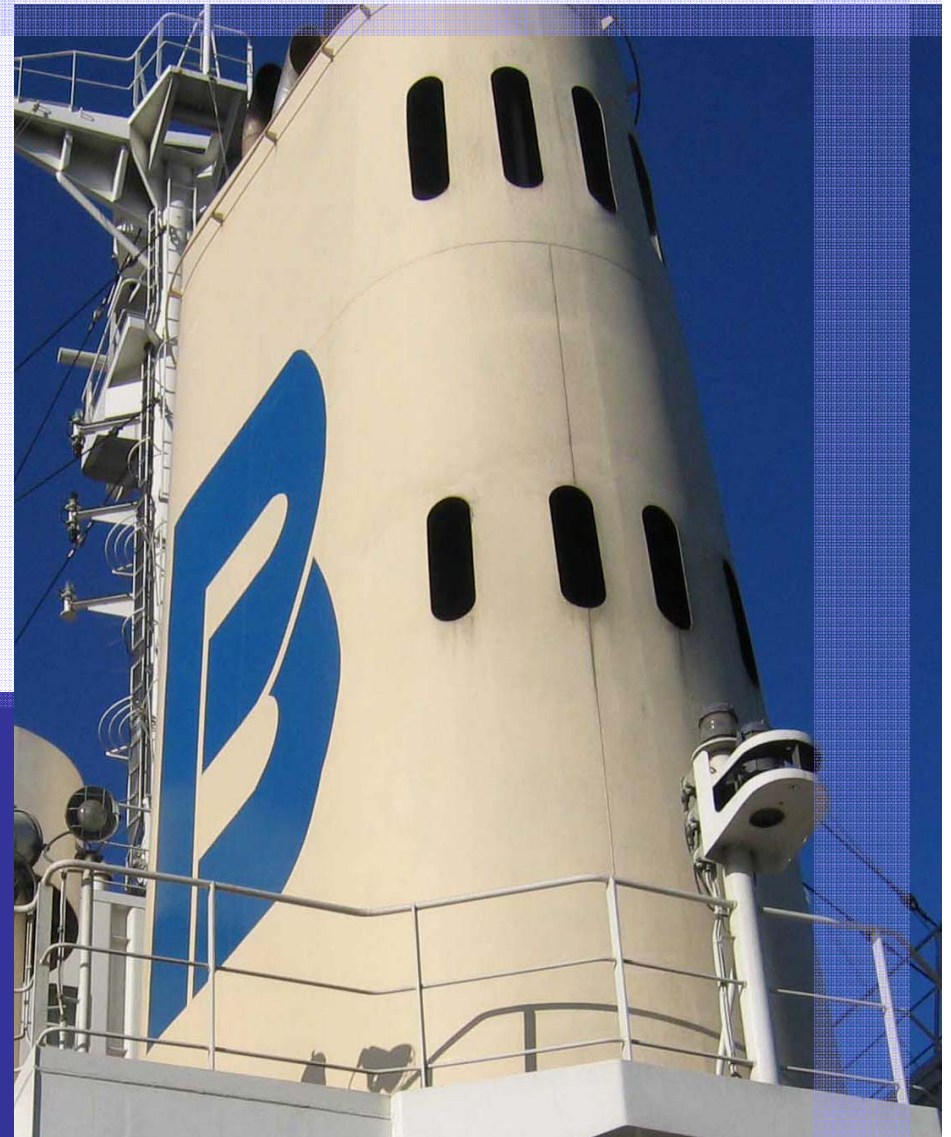
Presentation to

LSE Asia Pacific Ship Finance Conference
2006

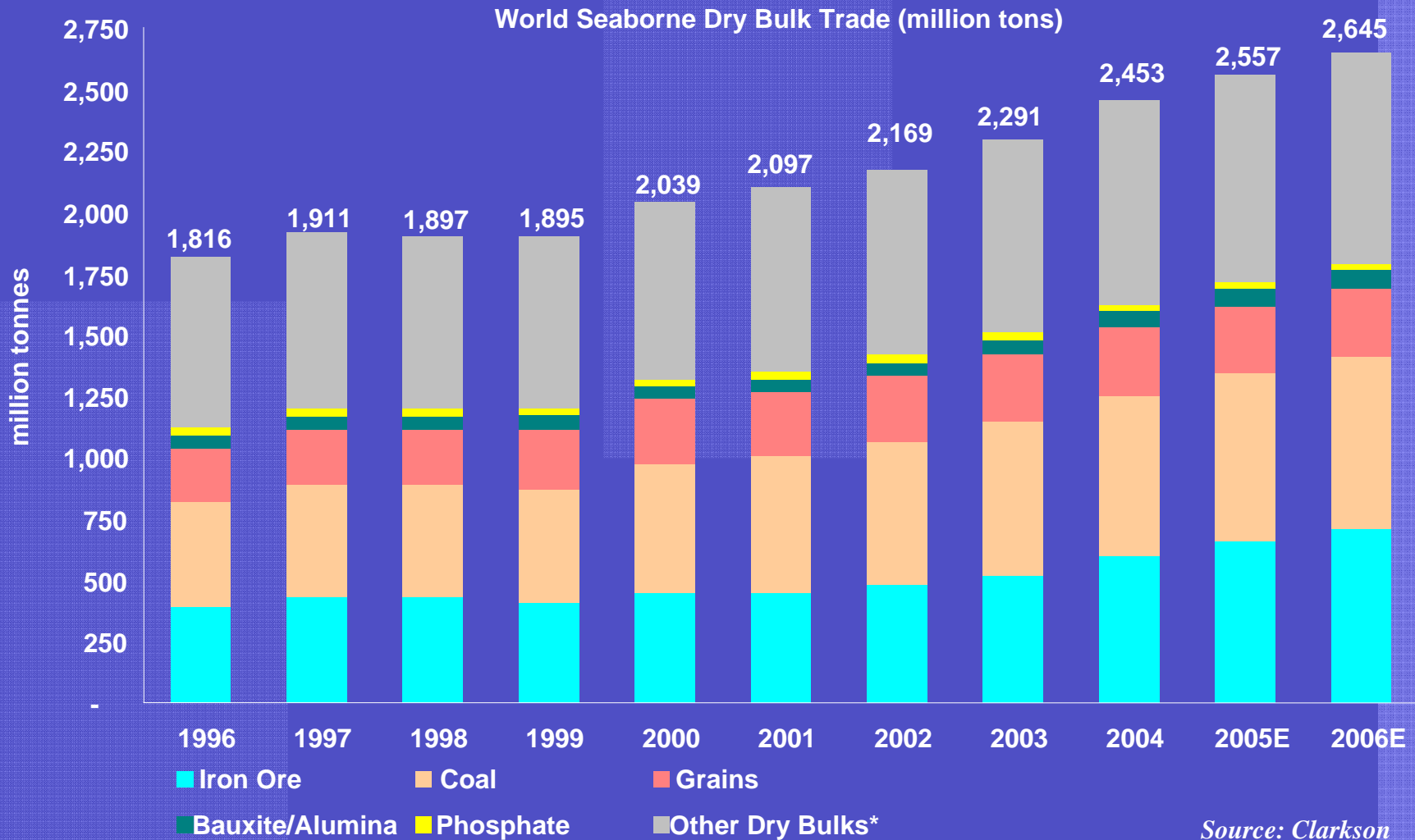
**“Future prospects for owners
in the Asia- Pacific region”**

Richard Hext, CEO

19 October 2006



World Seaborne Dry Bulk Trade



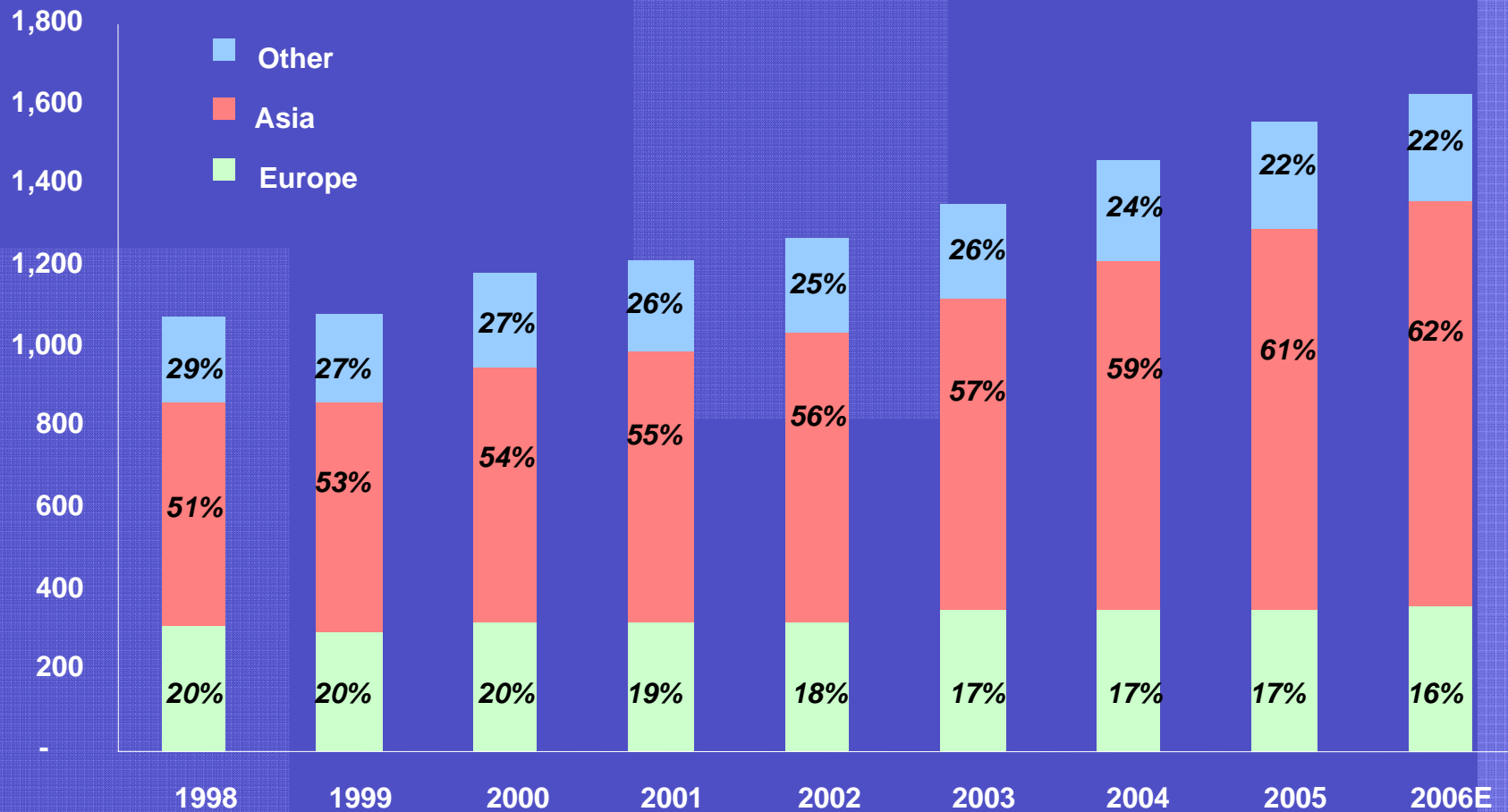
Source: Clarkson

*Includes Sugar, Agribulks, Fertiliser, Scrap, Cement, Coke, Pig Iron, Forest Products, Steel Products, Others

Asia's Increasing Dominance



Regional share of seaborne trade in major bulks* (million tonnes)



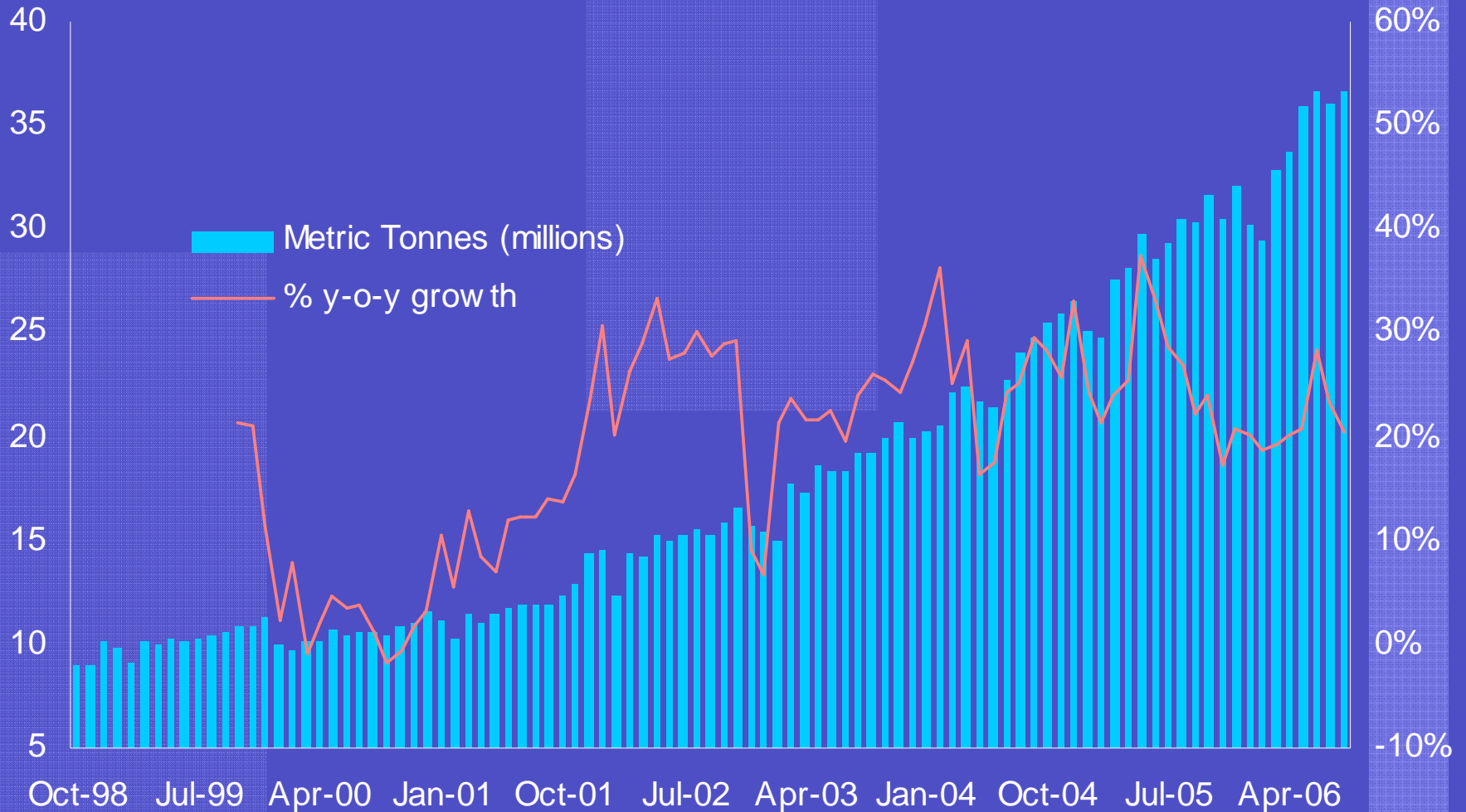
*Includes all imports of iron ore, petcoke, thermal coal, grains.

Source: Clarkson, Sept 2006 3

China's Steel Production



China Steel Production

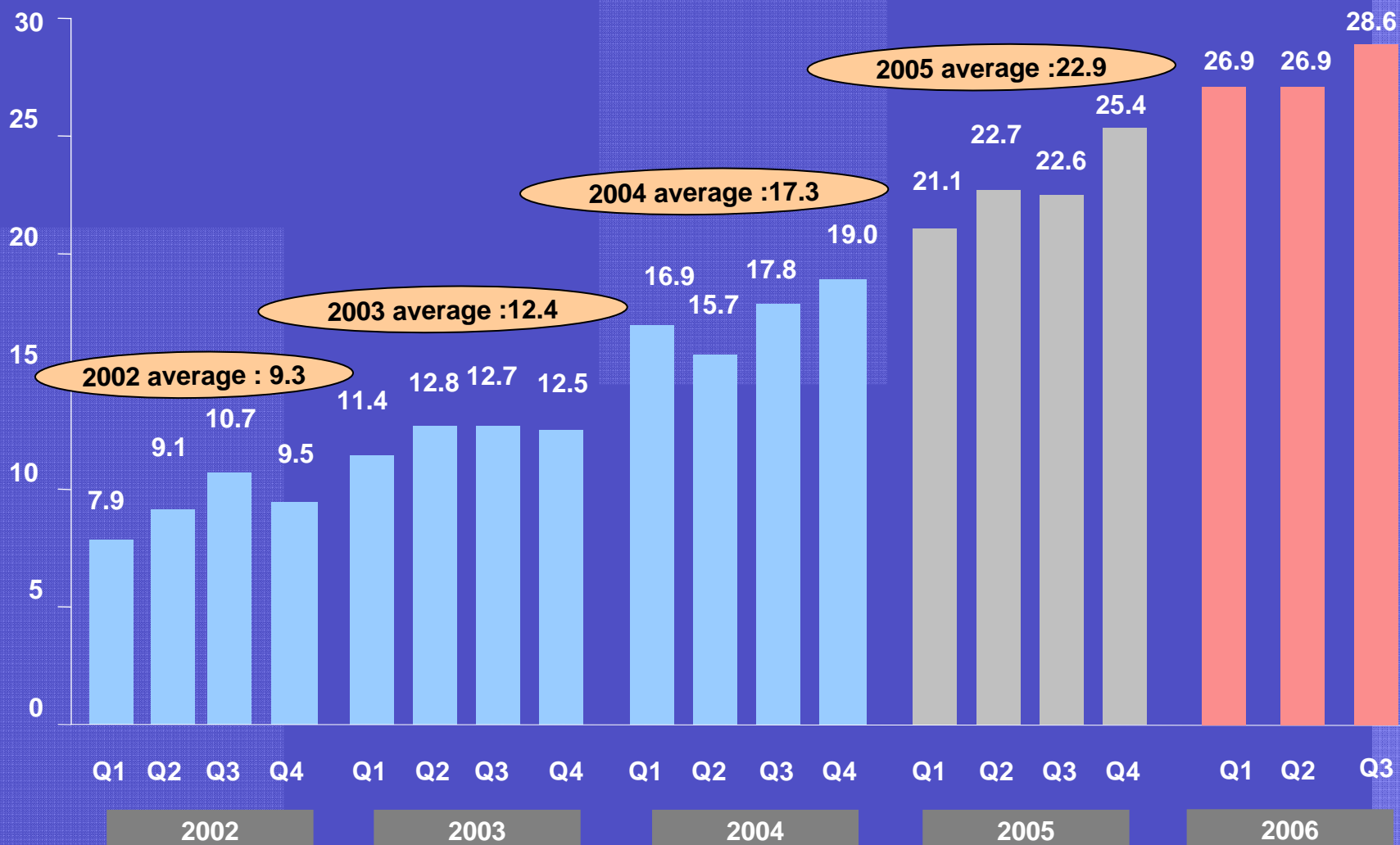


Source: IISI

Demand - China's Iron Ore Imports



Mil Tons/ Month

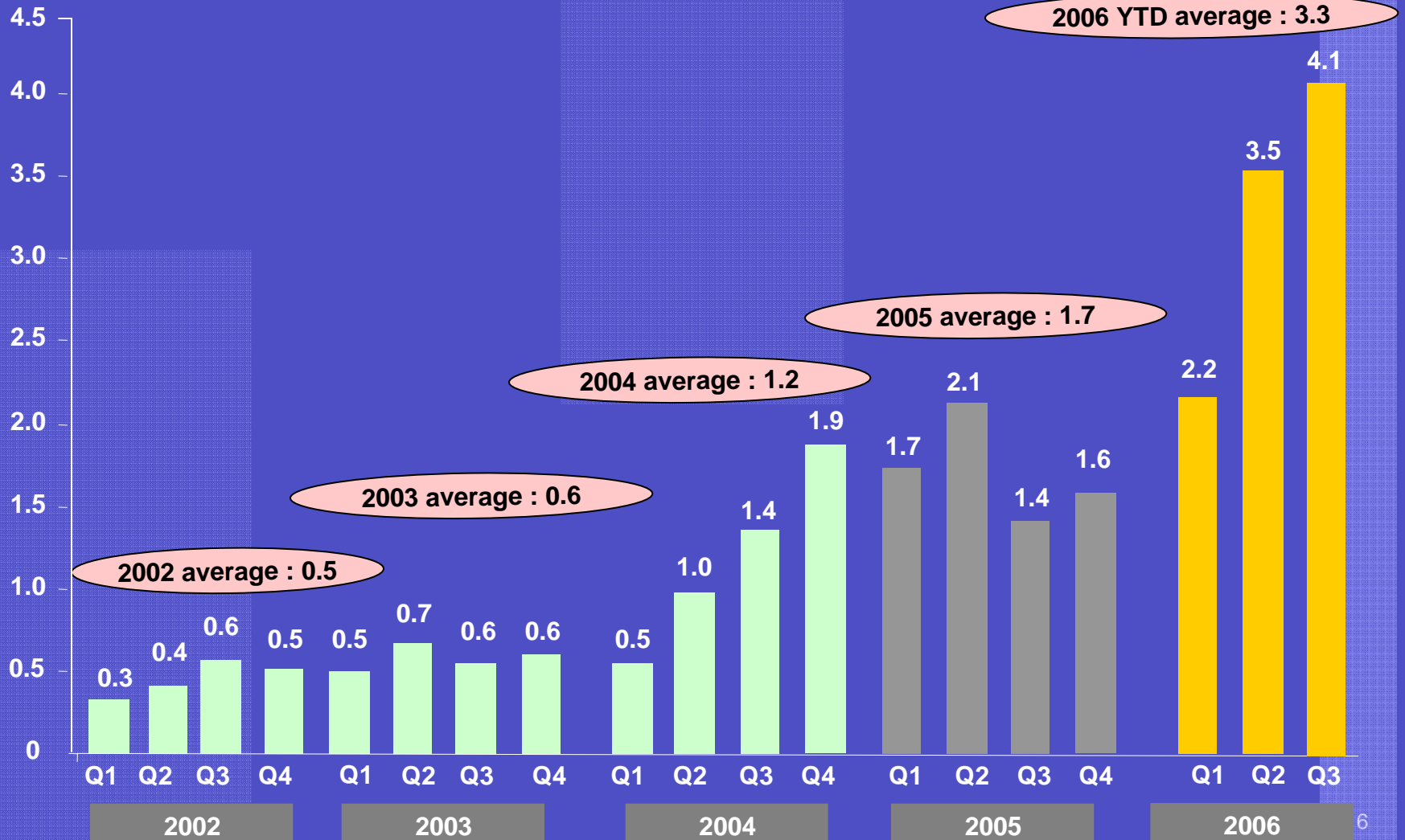


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Demand – China's Steel Exports

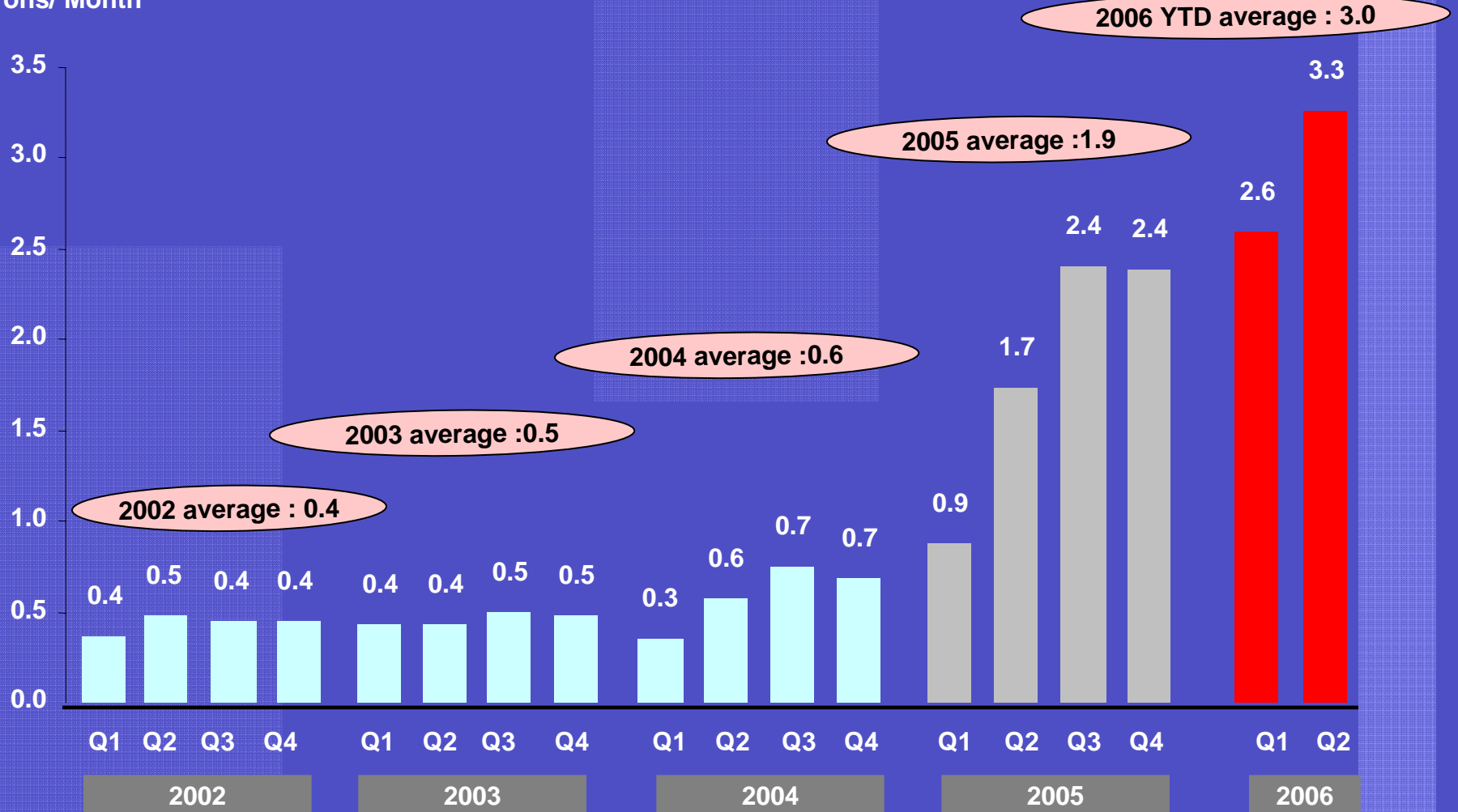


Mil Tons/ Month



Demand – China's Cement Exports

Mil Tons/ Month

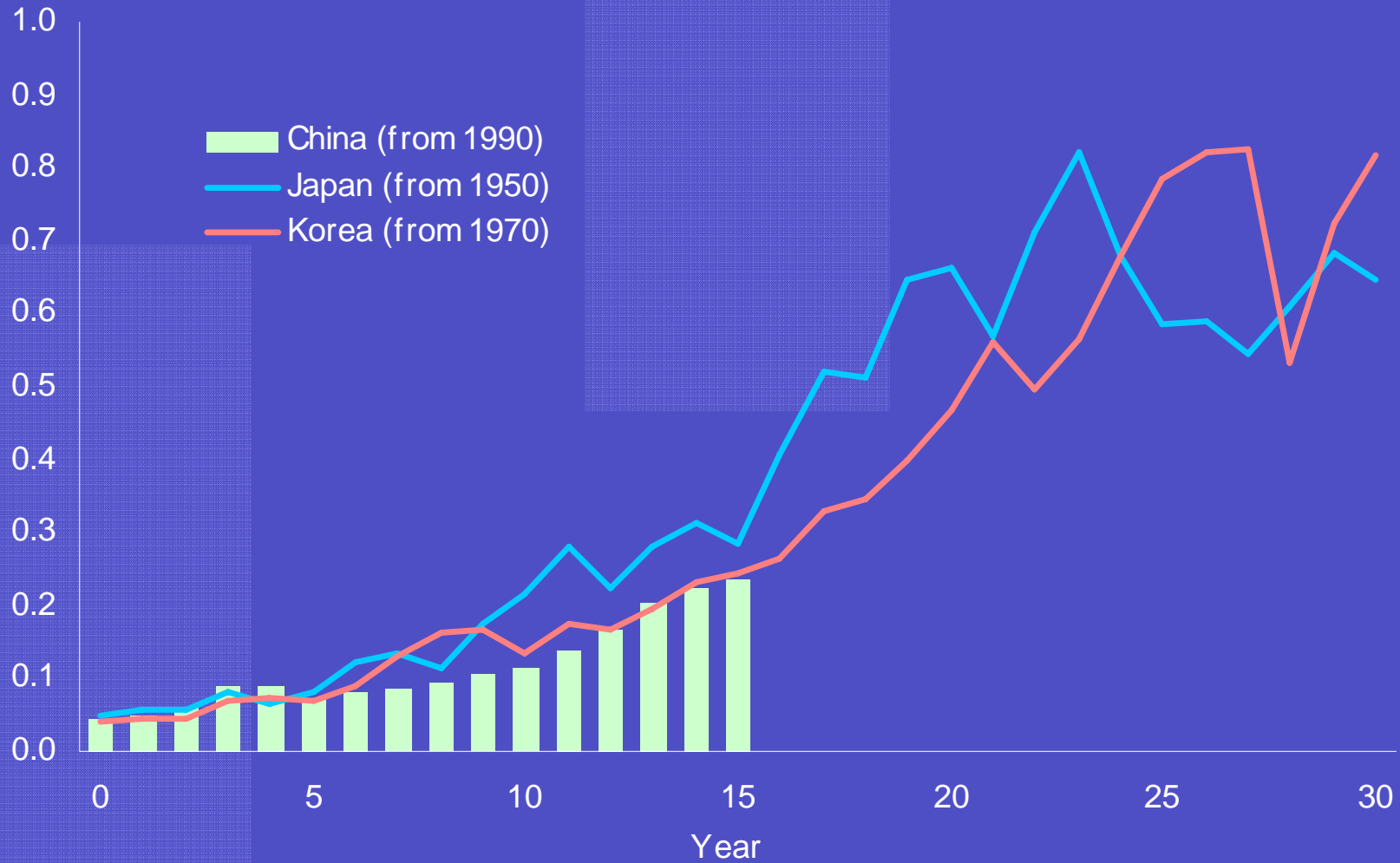


Source: Bloomberg

China's Growth Pattern – Steel Consumption



Steel consumption per capita (tons)

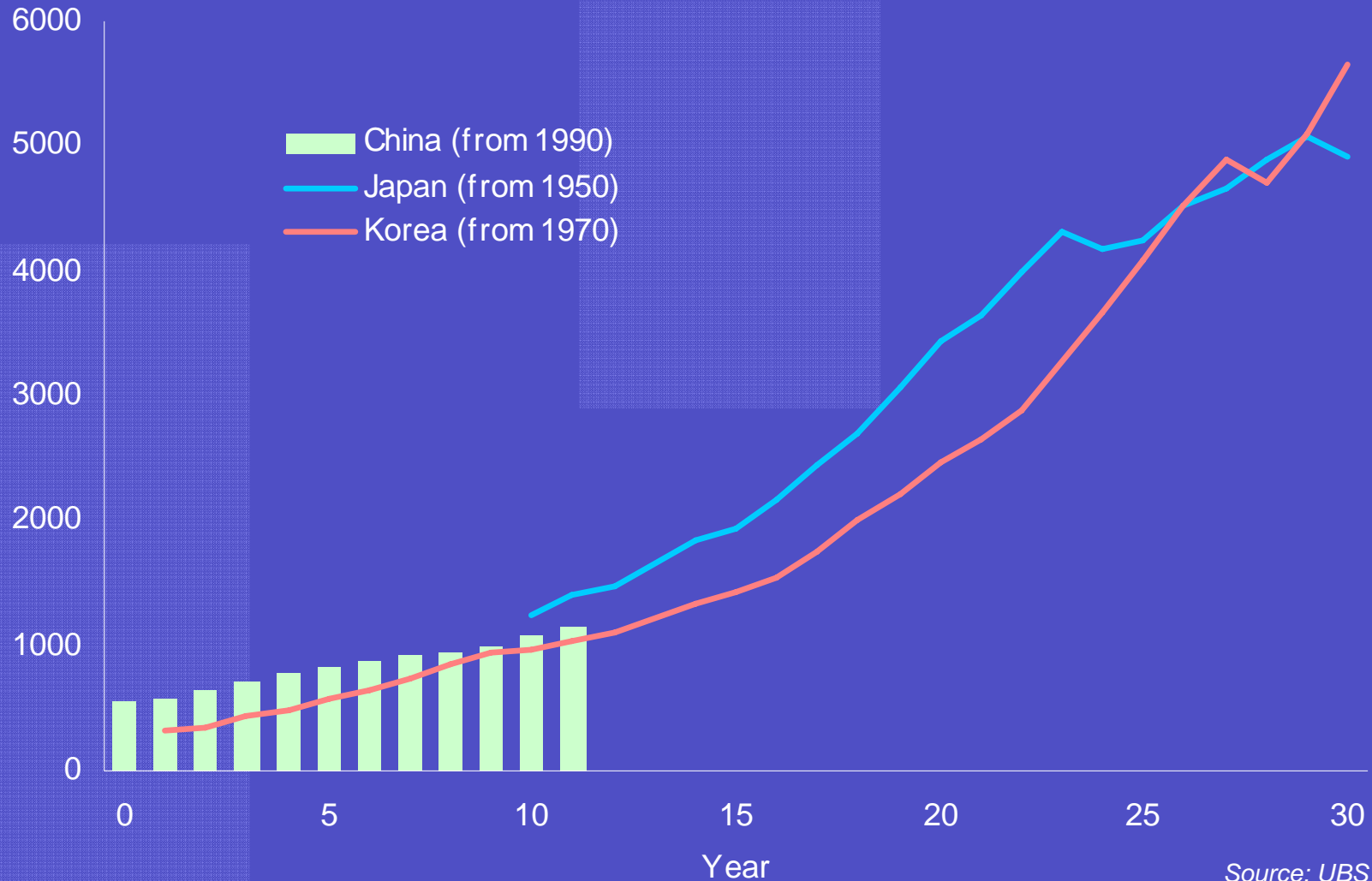


Source: UBS

China's Growth Pattern – Electricity Consumption



Electricity consumption per capita (MWh)



Source: UBS

China's Growth Pattern – Cement Consumption



Cement consumption per capita (MWh)



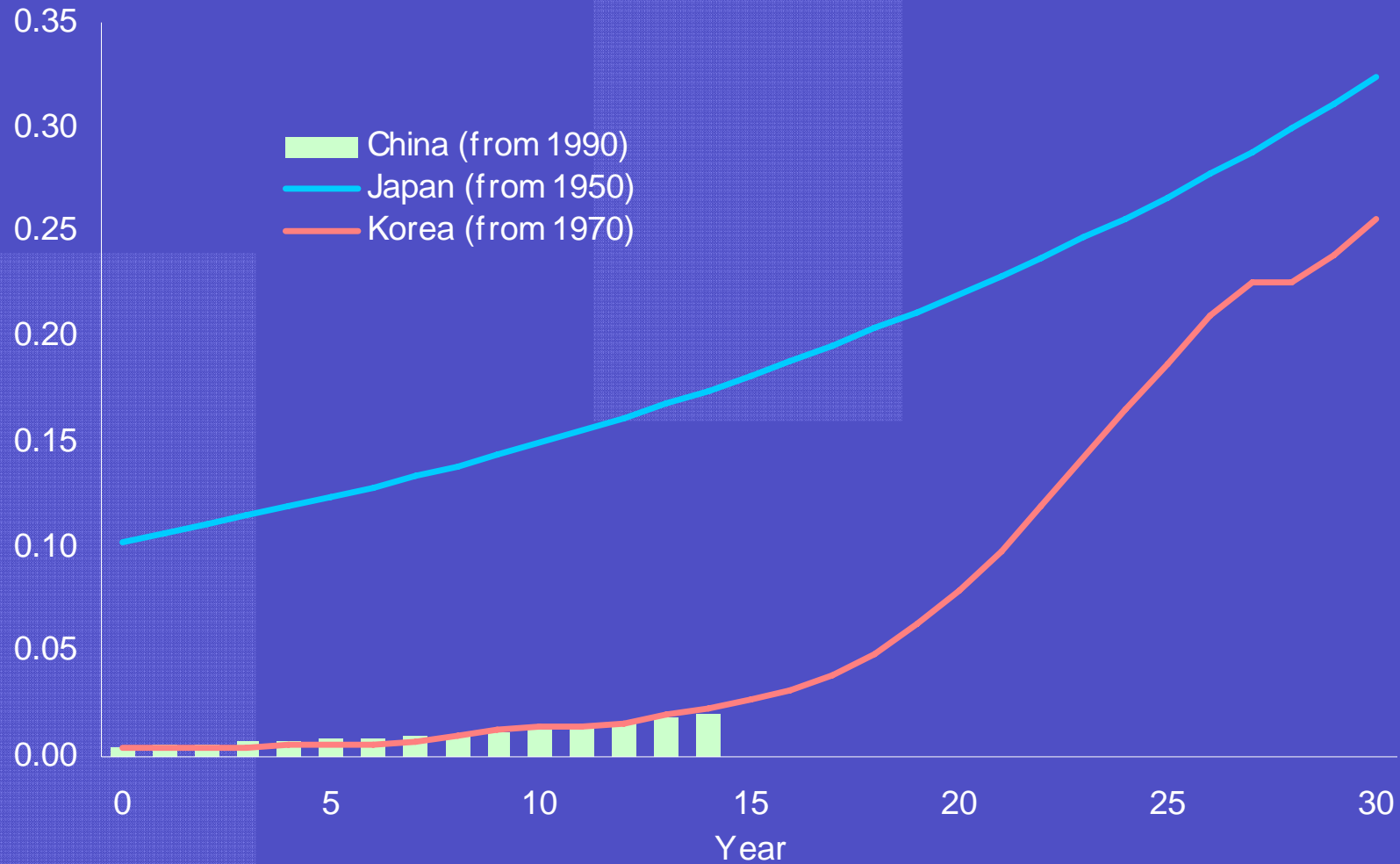
Source: UBS

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China's Growth Pattern – Motor Vehicles per capita



Motor vehicles per capita



Source: UBS

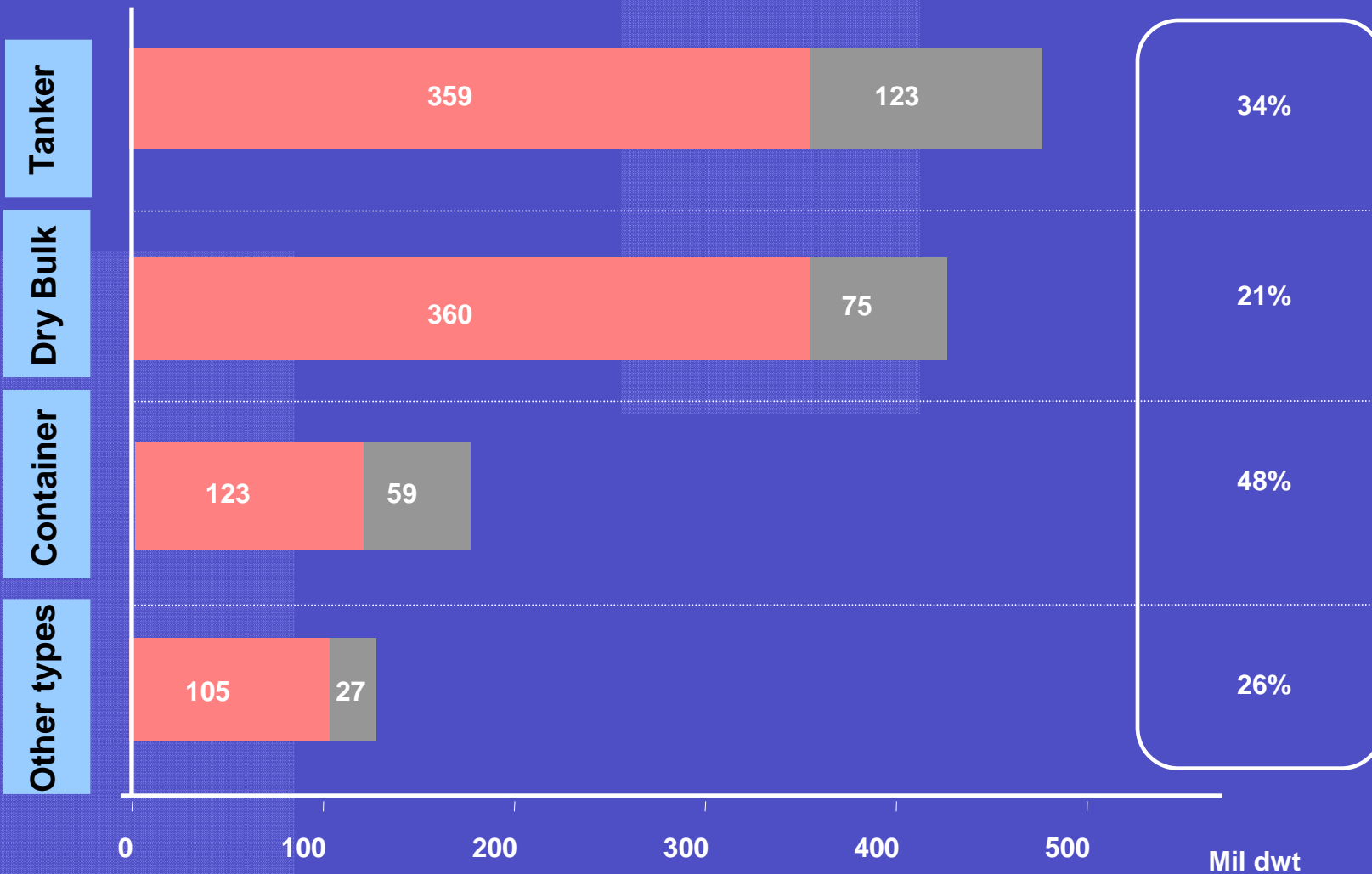
World Fleet & Orderbook



October 06

Existing Orderbook

% of Existing Fleet



Source: Clarksons

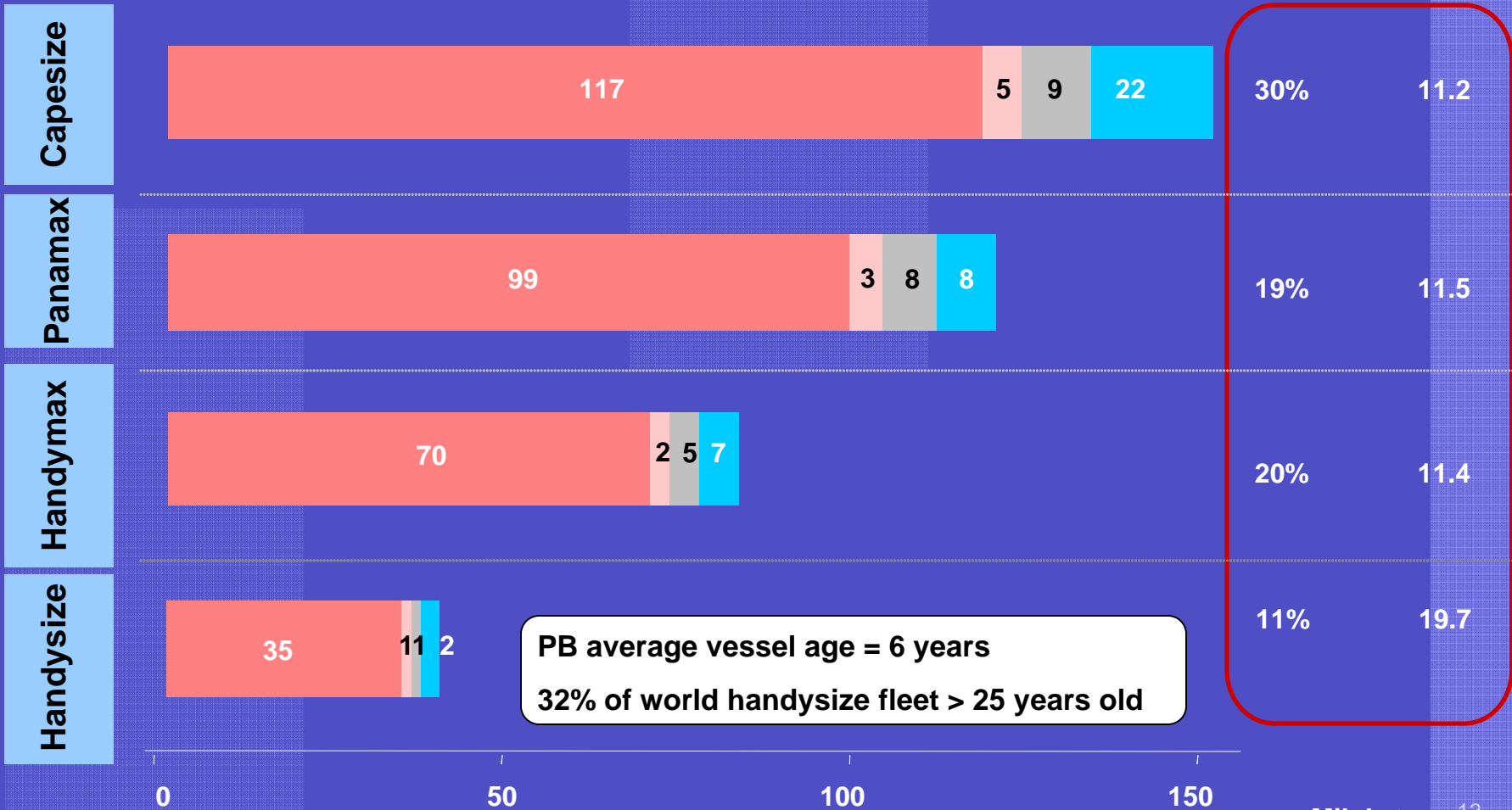
Drybulk Fleet & Orderbook



October 2006

Existing 2006 2007 2008+

Orderbook
Fleet (%) Average
Age

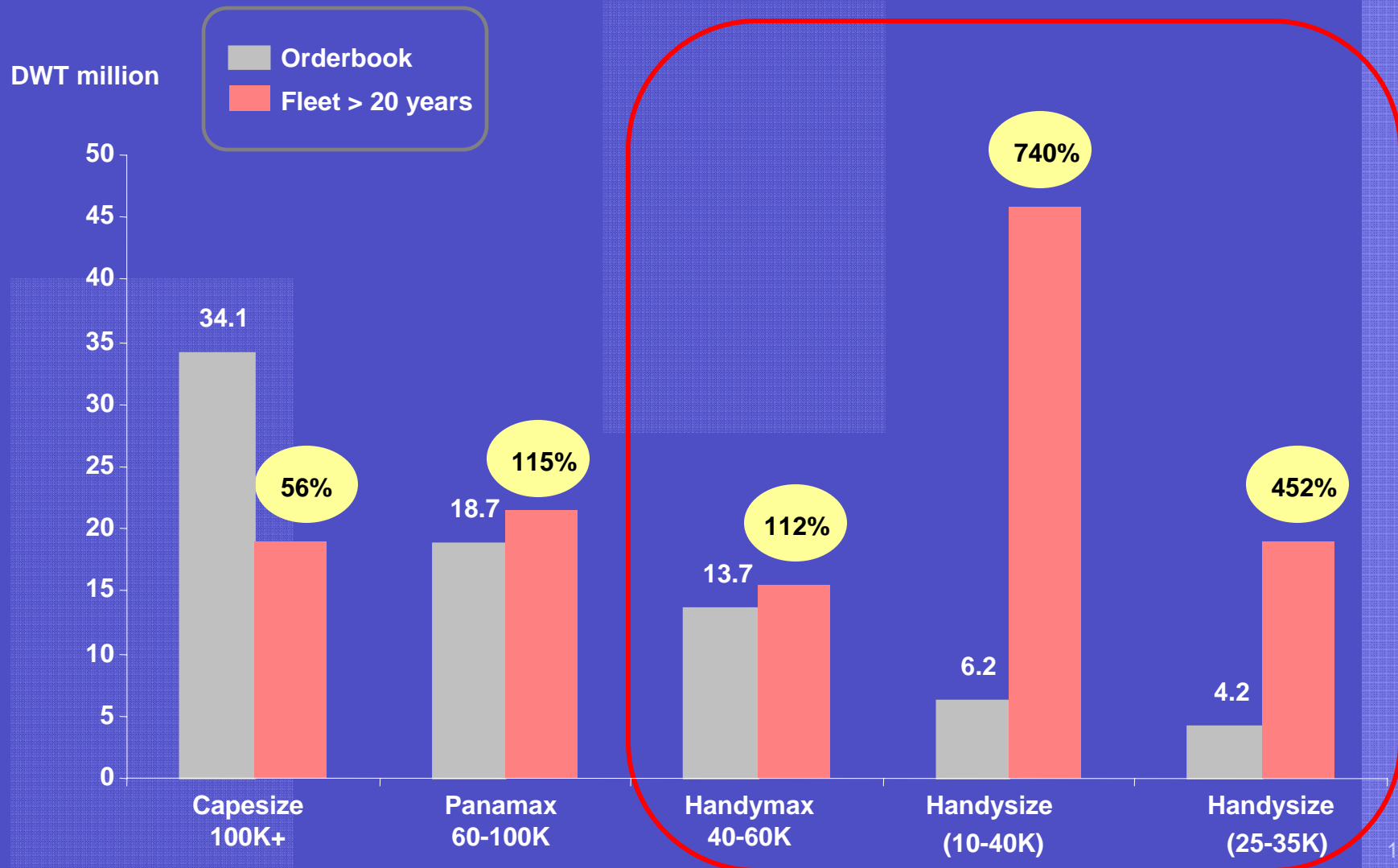


PB average vessel age = 6 years
32% of world handysize fleet > 25 years old

0 50 100 150 Mil dwt

Source: Clarksons

Dry Bulk Scrapping



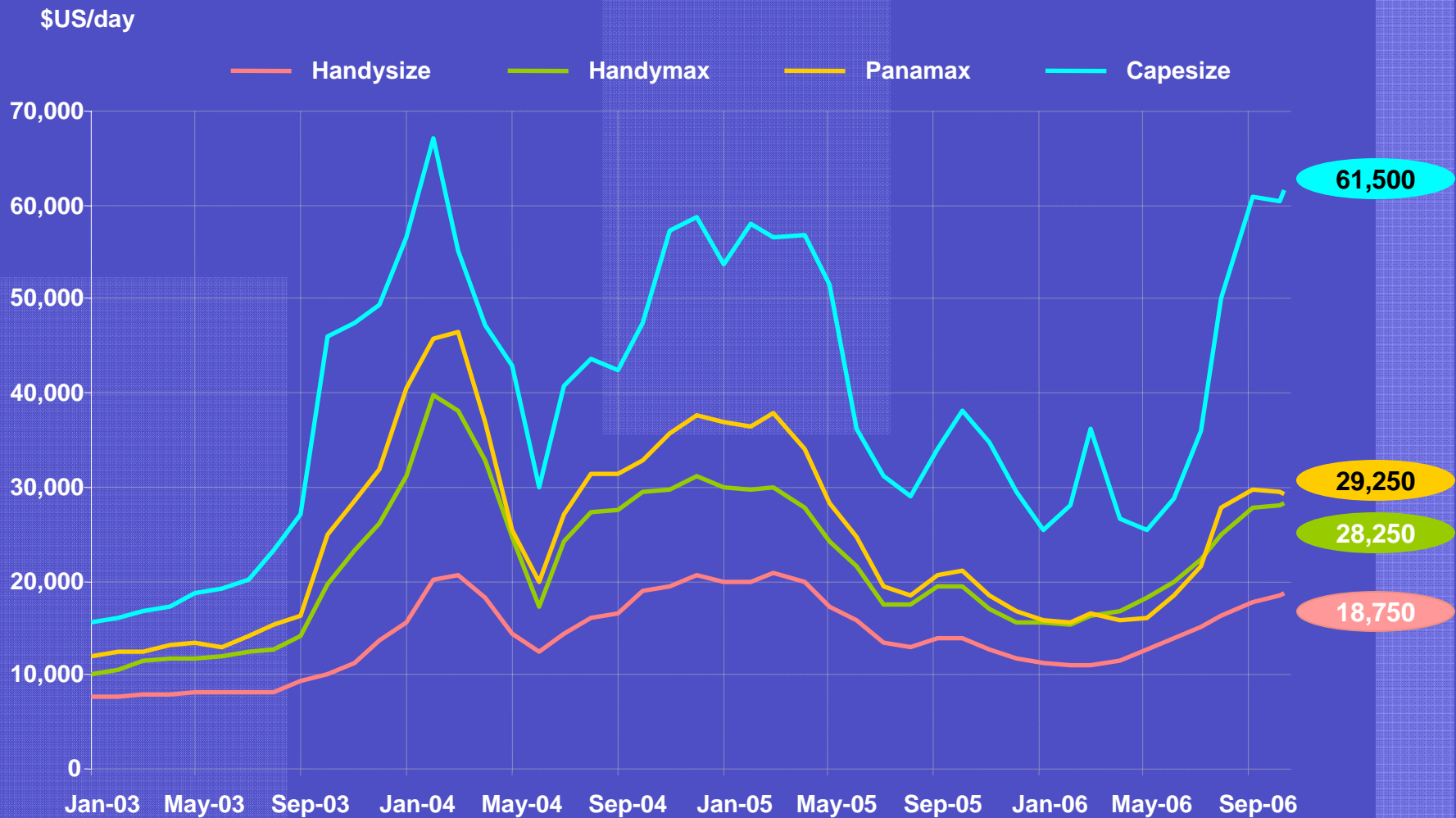
Source: Clarksons

The Baltic Dry Index





1-Year Time Charter Rates



Source: Clarkson's

Dry Bulk Carrier Sale & Purchase Market



Clarkson's 5 year-old Secondhand Dry Bulk Vessel Price Index





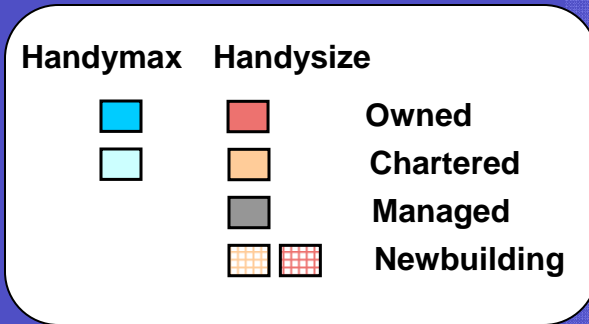
Pacific Basin Group Overview

- World's largest modern handysize vessel owner/operator
- Established in 1987 as specialist in Asia Pacific region
- Listed twice (NASDAQ 1994, HKEX 2004), privatized 1996
- Experienced management and personnel with proven track record in shipping (Swire, Jardines, Maersk, Torm)
- Headquartered at the heart of the world's fastest growing economies

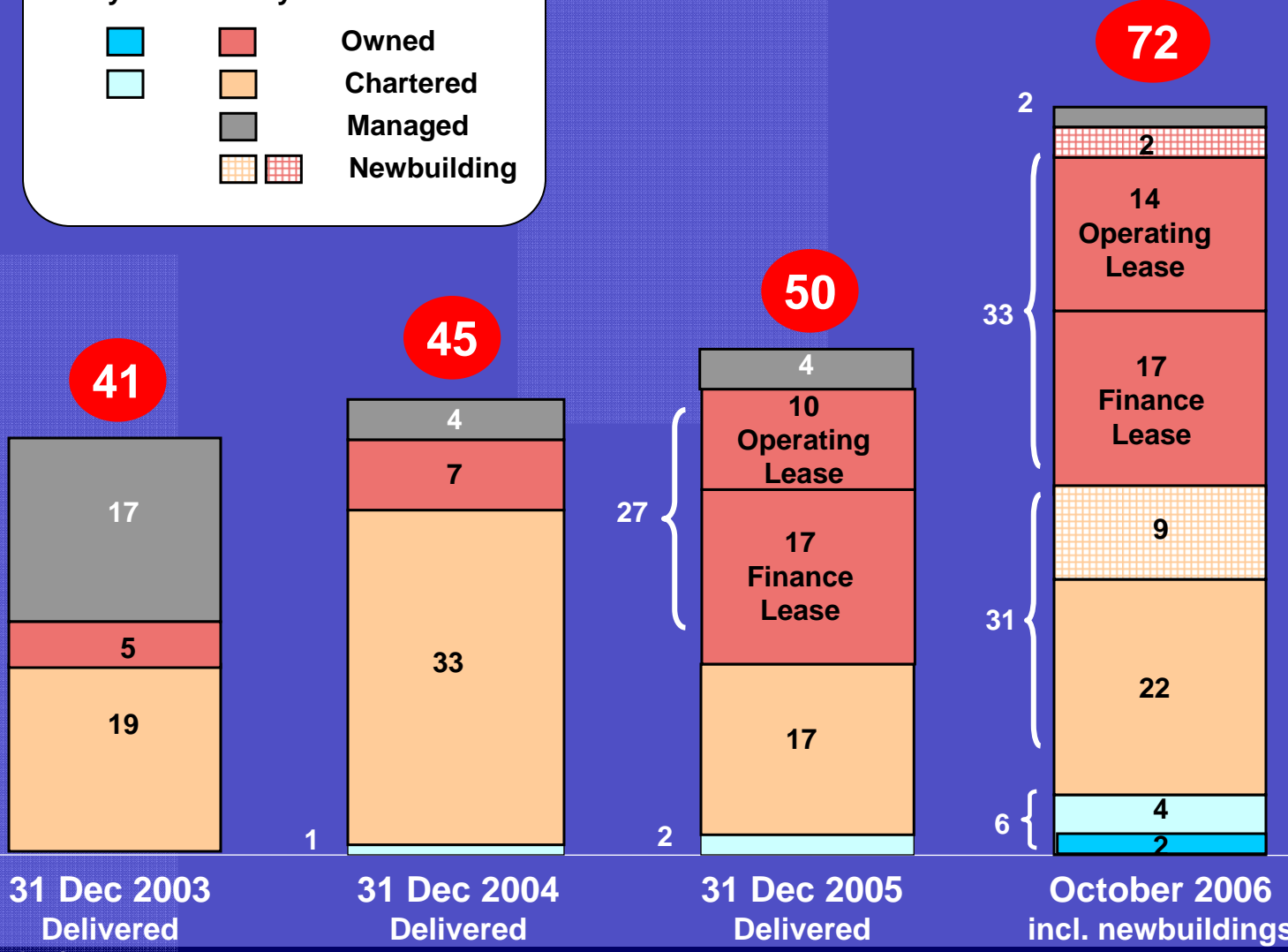
Our Fleet



Number of vessels



80
70
60
50
40
30
20
10
0



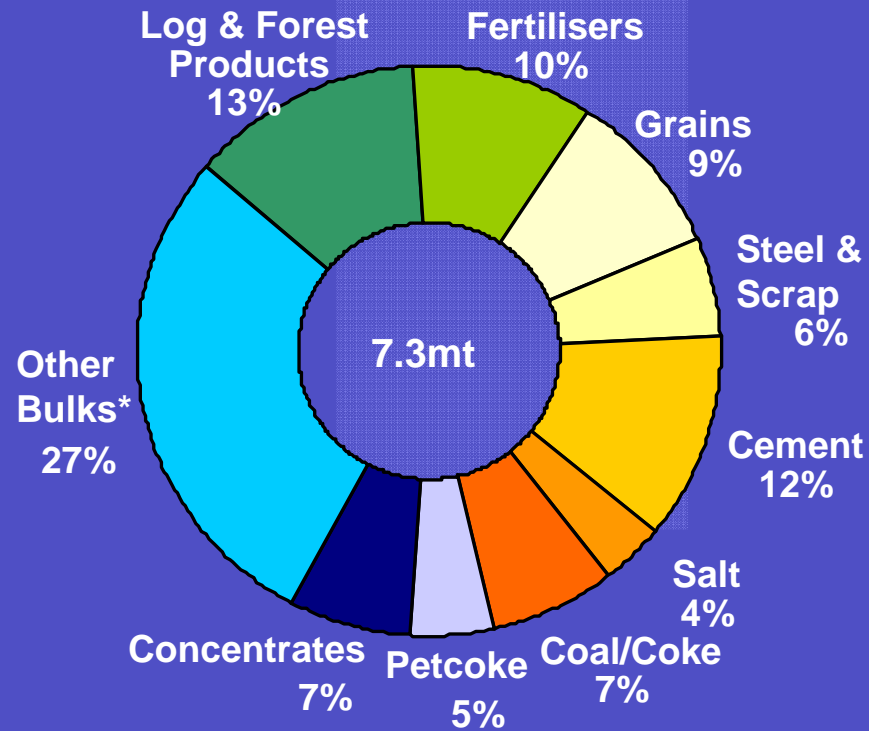
31 Dec 2003
Delivered

31 Dec 2004
Delivered

31 Dec 2005
Delivered

October 2006
incl. newbuildings

Cargoes Carried



Handysize
1H06 Cargo Volume

*Includes Cement Clinker, Gypsum, Alumina, Sands, Soda Ash, Agriculture Products, Ore, Aggregates and other bulk products

What the brokers are saying...



	Broker	Analysts	12mth Target	Recommendation
1	Lehman	Thomas Kim	HK\$ 7.50	Overweight
2	Merrill Lynch	Teddy Tsai	HK\$ 5.10	Buy
3	UBS	Damien Horth	HK\$ 5.00	Buy
4	Fearnley Fonds	Rikard Vabo	HK\$ 5.00	Buy
5	Evolution	Neil Juggins Jane Guo	HK\$ 5.00	Buy
6	Goldman Sachs	Jean-Louis Morisot Julie Lim	HK\$ 4.80	Buy
7	Cazenove	Alex Chang	HK\$ 4.80	Outperform
8	Macquarie	Michael Chan	HK\$ 4.75	Outperform
9	DBS	Gideon Lo	HK\$ 4.50	Hold
10	Daiwa	Geoffrey Cheng	HK\$ 4.45	Hold
11	Credit Suisse	Andrew Lee Peter Hilton	HK\$ 4.30	Neutral
12	Bank of China	Jimmy Lam	HK\$ 3.56	Underweight
13	CLSA	Debra Lui	HK\$ 3.00	Sell

Ship brokers covering the handysize sector: JE Hyde, Fearnleys, HSBC



Thank You

This presentation will be available on
www.pacbasin.com

Disclaimer



This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.