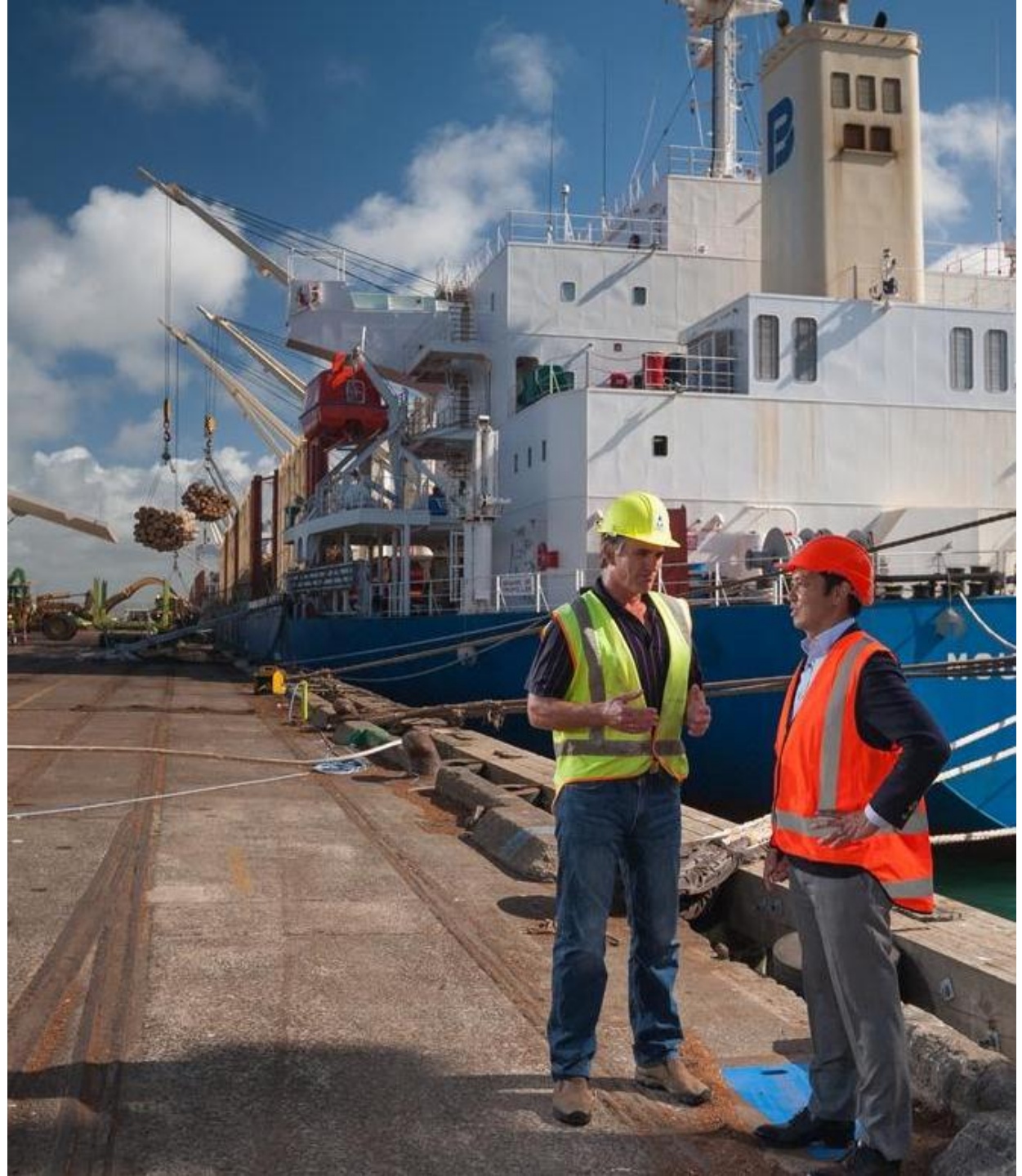




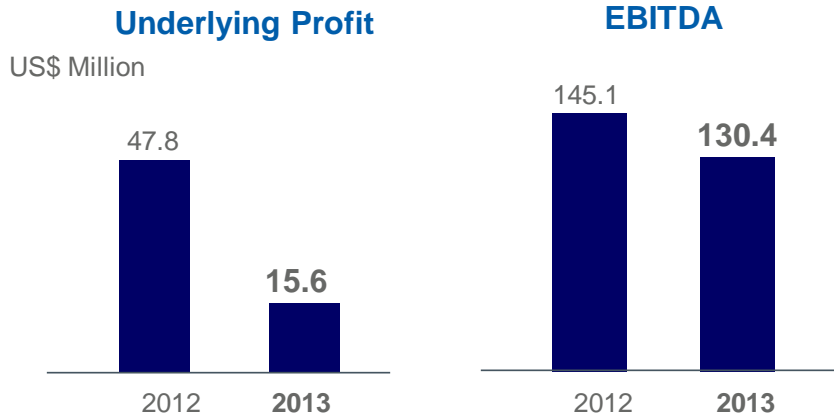
Pacific Basin

Annual Results 2013

27 Feb 2014



2013 Annual Results – Group Highlights



	2013	2012
Net Profit / (Loss)	US\$1.5m	US\$(159)m
Earnings per Share	HK¢0.6	HK¢(64)
Cash Position	US\$486m	US\$754m
Dividend per Share	HK¢5 (proposed)	HK¢5

- Group results were affected by:
 - + valuable business model → 22% outperformance
 - + Good control over our vessel costs
 - + Stronger, volatile market in 2H
 - weakest 1H dry bulk market since 1986
 - significantly reduced 2H contribution from PB Towage
 - one-off finance lease break costs
- Balance sheet remains healthy:
 - US\$486m total cash and deposits
 - 34% group net gearing

Pacific Basin Dry Bulk – 2013 Performance

Handysize		Outperformed Market by: 22%	
Daily Earnings	US\$9,520		-9% YOY
Daily Costs	US\$8,480		-5% YOY
Handymax		Outperformed Market by: 11%	
Daily Earnings	US\$10,880		-7% YOY
Daily Costs	US\$10,440		-7% YOY

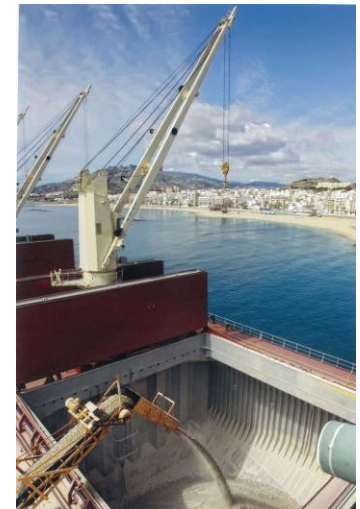
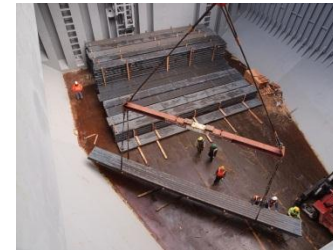
US\$ million	2013
Dry Bulk net profit	26.1
▪ Handysize contribution	51.9
▪ Handymax contribution	8.5
▪ Direct overheads	(40.0)
EBITDA	115.0
	1H: 51.0
	2H: 64.0
Return on net assets	5%

- Reduced vessel operating margins were partly offset by increased revenue days
- Outperformance reflects value of our industrial and customer-focused business model

2013 Investment in Dry Bulk

- Purchased 43 high-quality vessels:
 - 26 secondhand ships
 - 17 Japanese newbuildings
- Long-term chartered vessels:
 - 3 secondhand ships
 - 15 newbuildings

Started to deliver over 2013
 → larger earning capacity gradually kicking in

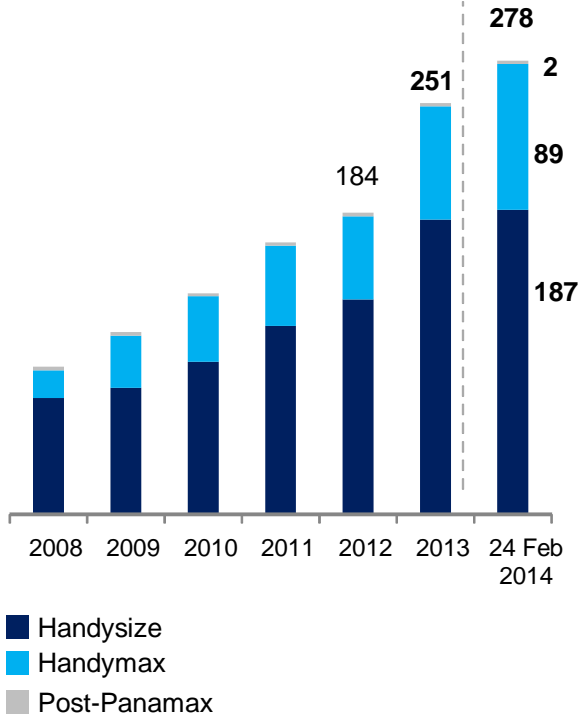




Pacific Basin Dry Bulk – Earnings Coverage

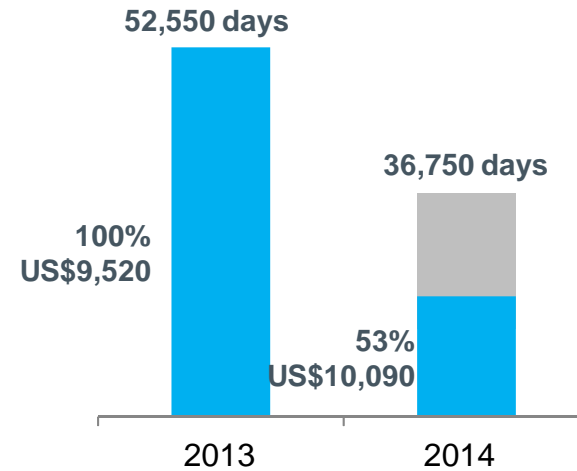
PB Dry Bulk Fleet Development

No. of vessels at year end (including Newbuildings)

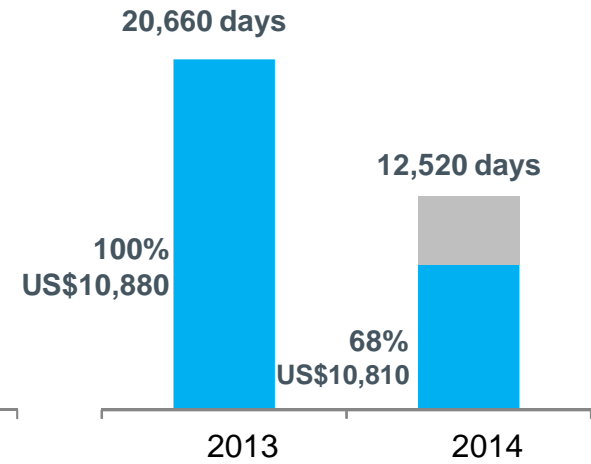


As at 21 Feb 2014
■ Covered ■ Uncovered

Handysize



Handymax



Market Rate (US\$ Net)	2013 Avg.	24 Feb:	2013 Avg.	24 Feb:
	\$7,770	\$9,342	\$9,760	\$10,887

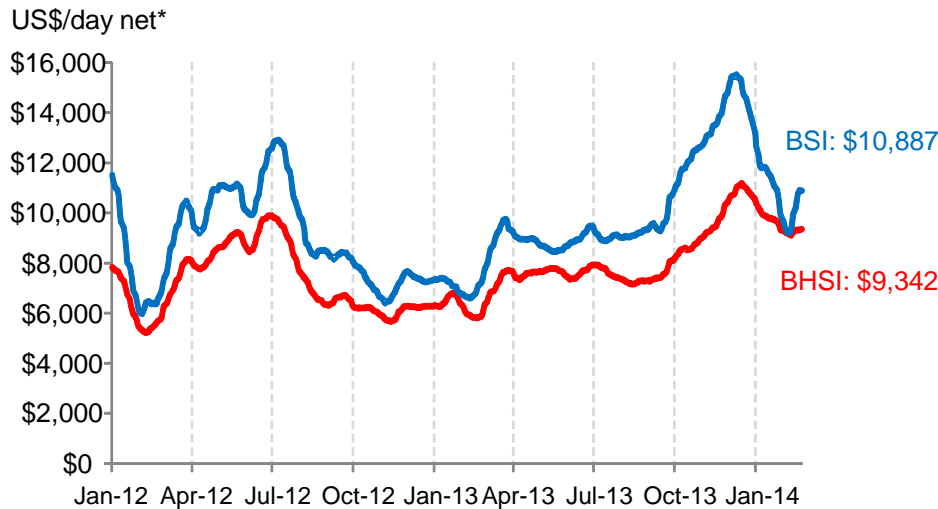
- Uncovered capacity exposed to spot market rates
- 2014 cover excludes revenue days chartered in on index-linked basis



Dry Bulk Market Information

- 2013 started with weakest half-year market since 1986
- 2H freight rates improved significantly albeit regionally - 4Q Handysize rates reaching 2011 levels
- Weak first 2 months of 2014 – Indonesia minerals export ban + usual seasonal fluctuations
- Ship values improved faster than freight rates:
 - 5 year old Handysize value: US\$21m (+35% since start of 2013)
 - Tight supply of modern, high-quality ships → more buyers now looking to shipyards for new capacity

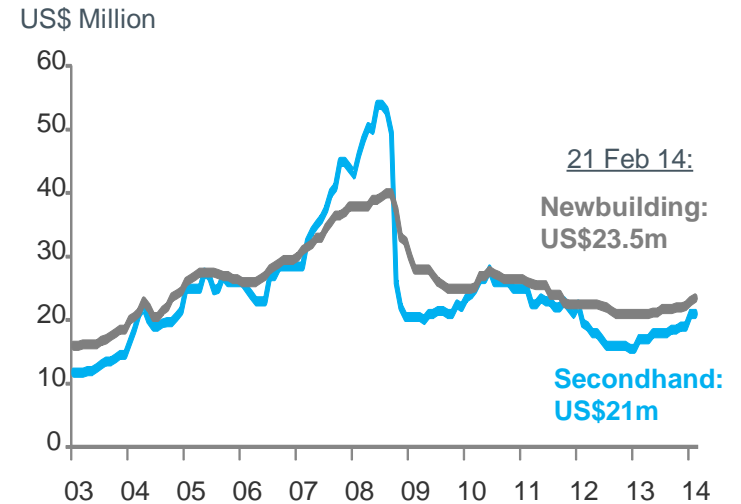
Baltic Handysize Index (BHSI) & Baltic Supramax Index (BSI)



* US\$ freight rates are net of 5% commission

Source: The Baltic Exchange, data as at 24 Feb 2014

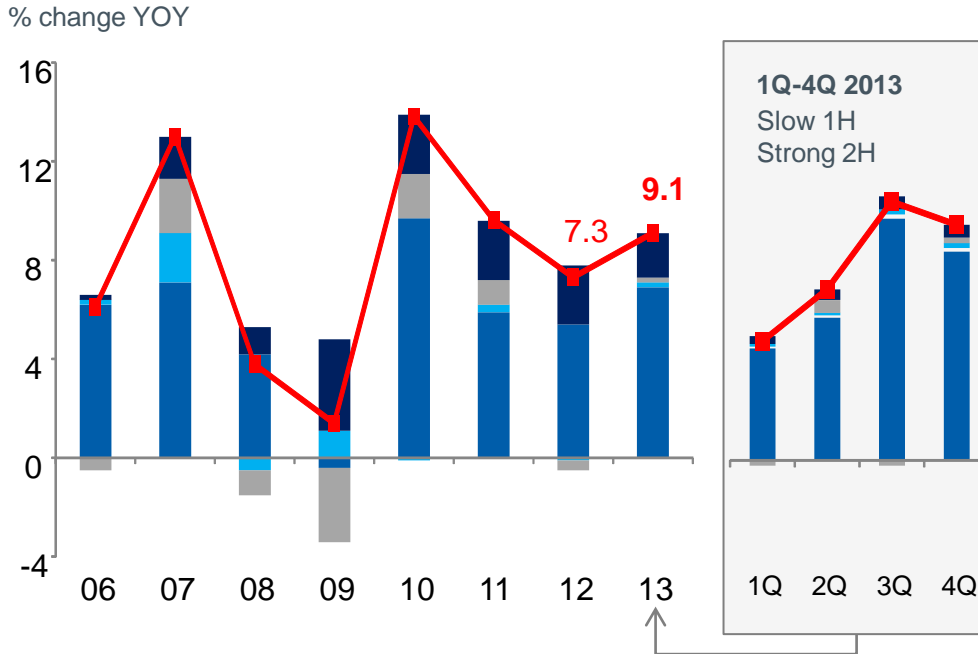
Handysize Vessel Values



Source: Clarksons

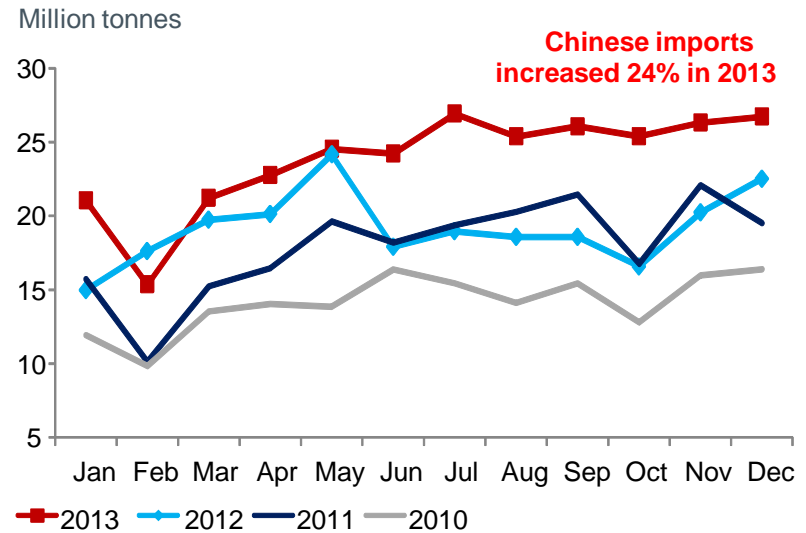
Dry Bulk Demand

Dry Bulk Effective Demand



- International cargo volumes
- Congestion effect
- Tonne-mile effect
- China coastal cargo, off-hire & ballast effect
- Net demand growth

Chinese Minor Bulk Imports



These 7 commodities make up over one third of the cargo volumes we carry
China imports of a basket of 7 important minor bulks:
logs, soyabean, fertiliser, bauxite, nickel, copper concs & manganese ore

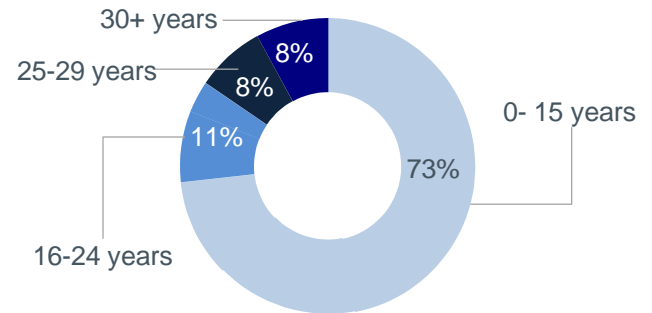
- Overall dry bulk demand increased by a healthy 9% YOY
- Minor bulk demand growth influenced by:
 - 24% increase in Chinese imports of 7 important minor bulks (13% excluding Bauxite)



Global Dry Bulk Fleet Development

net fleet growth	Handysize	Dry Bulk overall
1H13	+0.8%	+3.4%
2H13	+0.3%	+2.4%
2013	+1%	+6%

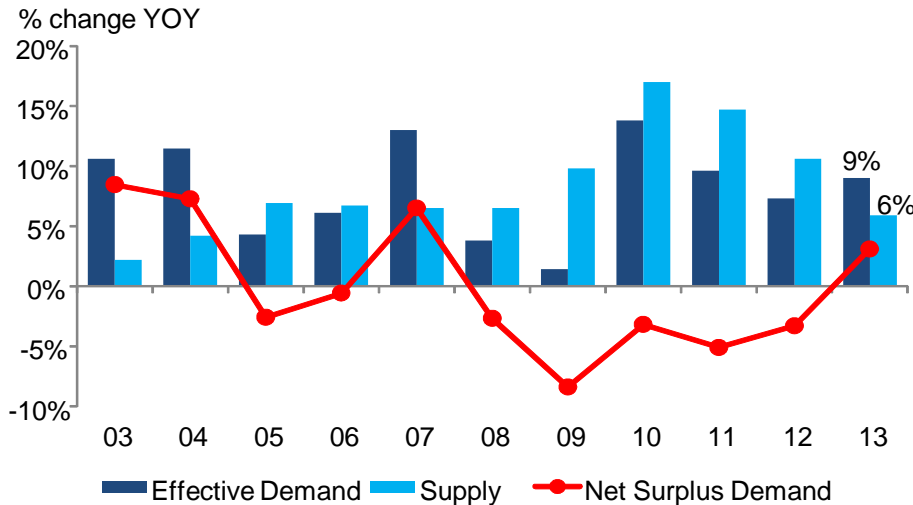
Handysize Age Profile (25,000-39,999 dwt)
2,206 vessels (70.9m dwt)



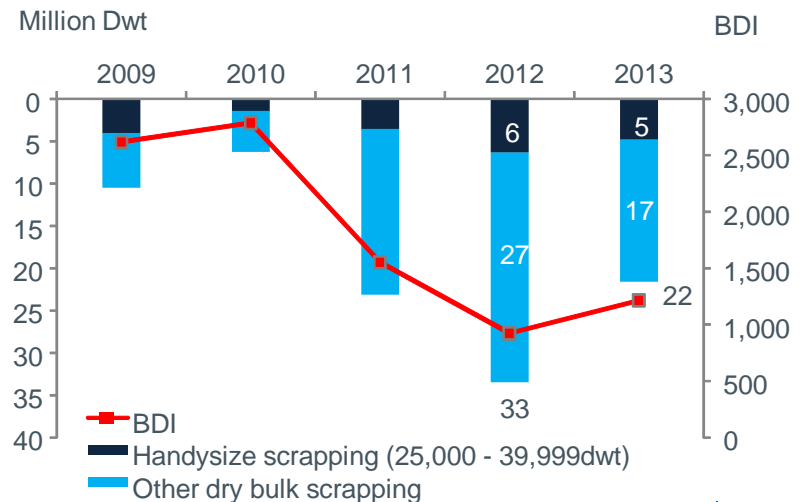
Dry bulk net fleet growth:

- Driven by 62m tonnes of new capacity
- Partially offset by 22m tonnes of scrapping
- Strong 1H vs Slower 2H

Dry Bulk Supply & Demand



Dry Bulk Scrapping versus BDI



Source: Clarksons, Bloomberg, as at 1 Feb 2014

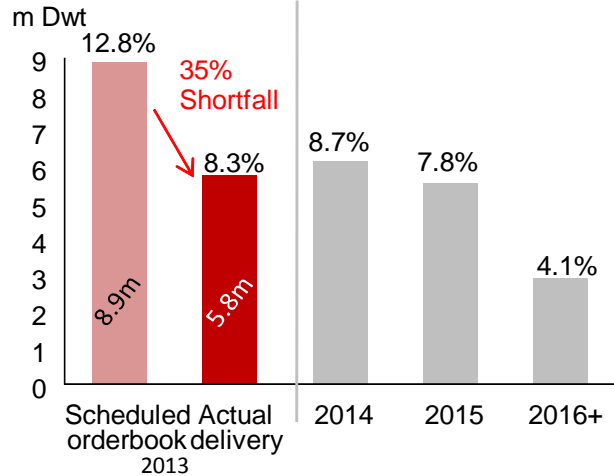
2013 Annual Results



Dry Bulk Orderbook

Handysize Orderbook

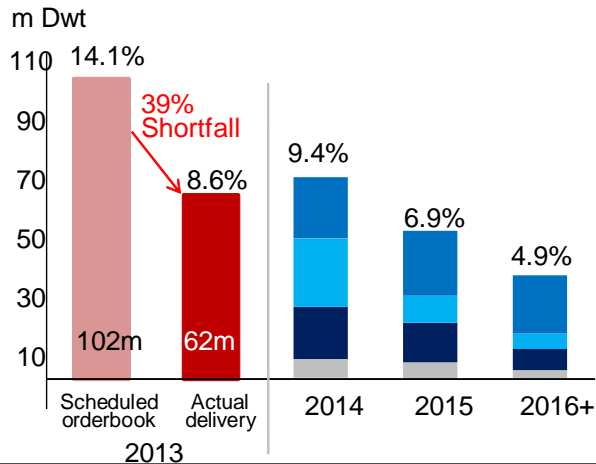
397 vessels (14.6m dwt)



- Dry bulk orderbook bottomed out Aug 2013 at 18%
- Current orderbook: 21%
- New orders generally not possible for deliveries before:
 - 2017 in Japan
 - 2016 in China

Total Dry Bulk Orderbook

1,857 vessels (153.3m dwt)



Total Dry Bulk >10,000 dwt

- Handysize (25,000-39,999 dwt)
- Handymax (40,000-64,999 dwt)
- Panamax (65,000-119,999 dwt)
- Capesize (120,000+ dwt)



Orderbook as % of Existing Fleet	Average Age	Over 25 Years	Scrapping as % of Existing Fleet
21%	11	4%	3%
21%	11	16%	7%
24%	9	5%	3%
19%	8	2%	1%
22%	8	2%	3%



Pacific Basin Dry Bulk – Outlook



- China's continued strong demand for minor bulks despite slower economic growth
- Increased overseas mining output and lower commodity prices
- Continued US economic recovery and reviving industrialisation in North America + stronger than expected recovery in Europe
- Moderate newbuilding deliveries in 2014 and continued scrapping



- Shipowner optimism resulting in less scrapping and increased vessel ordering
- Credit squeeze in China leading to slower economic and industrial growth and slower growth in dry bulk imports
- Lower fuel prices causing vessels to speed up
- Increased national protectionism

PB Outlook:

- Cyclical upturn has started
- Expect overall stronger, volatile dry bulk market in 2014
- Healthy trade + marked slow-down in newbuilding deliveries → healthier supply/demand balance
- Weak first 2 months of 2014 → weak 1H and a stronger 2H

Strategy:

- We remain selectively open to acquisition of Handysize and Handymax ships at appropriate prices
- Expand our customer and cargo portfolio

PB Towage – 2013 Performance

2013 Performance

- Solid 1H contribution followed by a significantly weaker 2H:
 - Wind-down of existing projects + start-up of new operations
→ reduced revenue and increased costs

	2013 US\$ million
Towage net profit	10.5
EBITDA	24.2
Return on net assets	5%

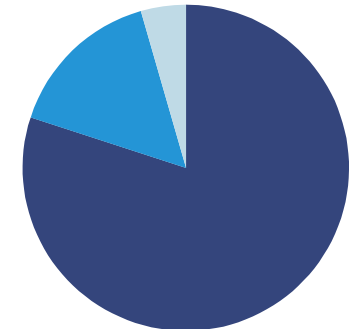
Harbour Towage

- 8% YOY increase in job numbers at main Australian container ports
- 35% increase in bulk port activity on commencement of new operation in Newcastle

Offshore Towage

- Increased 50% shareholding in OMSA JV
- Gorgon project extended to Dec 2015, but expect decline in activity as project approaches production phase
- Gladstone project completed
- Redeployed 4 tugs for new contract in Australia's Northern Territory - start up costs + heavy rain impacted operations

PB Towage Fleet: 52 vessels
(as at 24 Feb 2014)

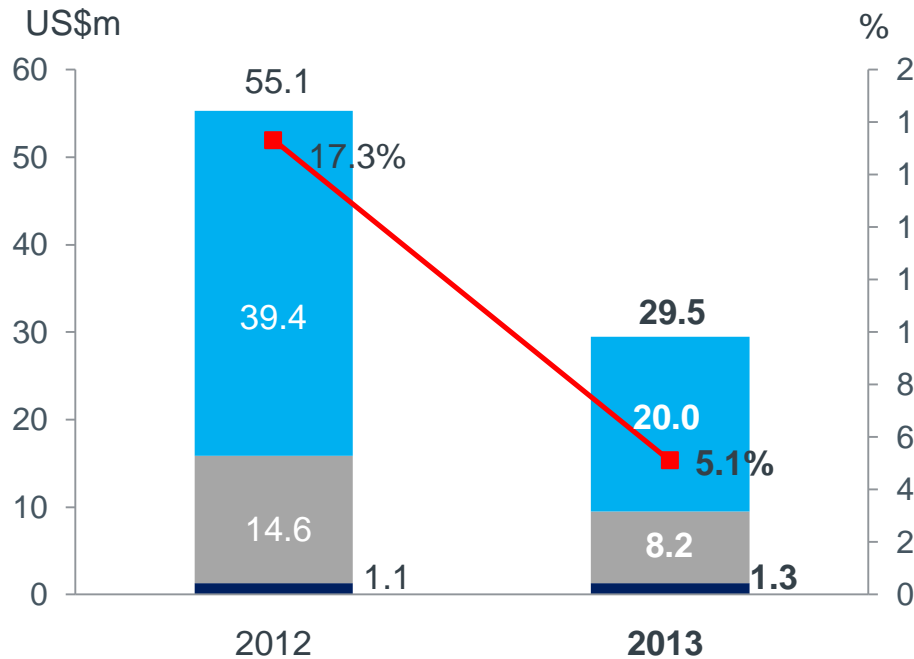


- 40 Tugs (31 Owned + 9 Chartered)
- 10 Barges (10 Owned)
- 1 owned bunker tanker and 1 chartered passenger/supply vessel

Towage Segment Operating Performance Before Overheads

As at 31 December 2013

Towage Operating Performance



- Offshore & Infrastructure projects
- Harbour Towage
- Middle East & others
- Total segment return on net assets (annualised)

US\$ million	2013
Operating performance	29.5
Direct overheads	(19.0)
Segment net profit	10.5
EBITDA	24.2

- One-off Newcastle start-up costs in 2H
- Declining Gorgon towage activity



PB Towage – Outlook



- Continued project activity in Australasia providing further demand for project and construction cargo logistics
- Growth in Australian bulk exports, containerised trade and port infrastructure development supporting continued growth of our harbour towage activity
- Exclusive licences in a number of bulk ports up for tender in 2015 onwards



- Labour market shortages and cost pressures in Australia impacting project economics and timelines
- Increased competition from other operators
- Credit squeeze in China, impacting growth in dry bulk trades and Australian port activity

PB Outlook:

- Underlying harbour towage demand drivers continue to remain positive
 - Our short-term performance depends on growth in Newcastle
- Challenging outlook for offshore towage
 - Expect weak short-term results due to new projects start up costs
 - Performance depends on securing new employment following completed projects

Strategy:

- Continue to look for new projects and growth opportunities

Harbour towage - Expand into other ports

Offshore towage - i) Secure contract renewal opportunities
ii) New offshore construction developments
iii) Project transportation solutions



2013 Financial Highlights

US\$m

	2013	2012
Segment net profit	36.0	78.0
▪ Treasury	(4.4)	(6.1)
▪ Discontinued Operations - RoRo	(0.5)	(12.1)
▪ Non direct G&A	(15.5)	(12.0)
<hr/>	<hr/>	<hr/>
Underlying profit	15.6	47.8
▪ Unrealised derivative income/(expenses)	1.8	(3.3)
▪ RoRo exchange loss & vessel impairment	(7.8)	(198.6)
▪ Expenses relating exercising 10 finance lease purchase options	(15.3)	-
▪ Towage exchange gain & others	7.2	(4.4)
<hr/>	<hr/>	<hr/>
Profit/(Loss) attributable to shareholders	1.5	(158.5)

- Underlying profit affected by significantly weaker second half towage results
- 3 RoRo bareboats commenced resulting in FX reserve transfer
- Secured ownership of 10 vessels by exercised options but associated break costs.



Pacific Basin Dry Bulk

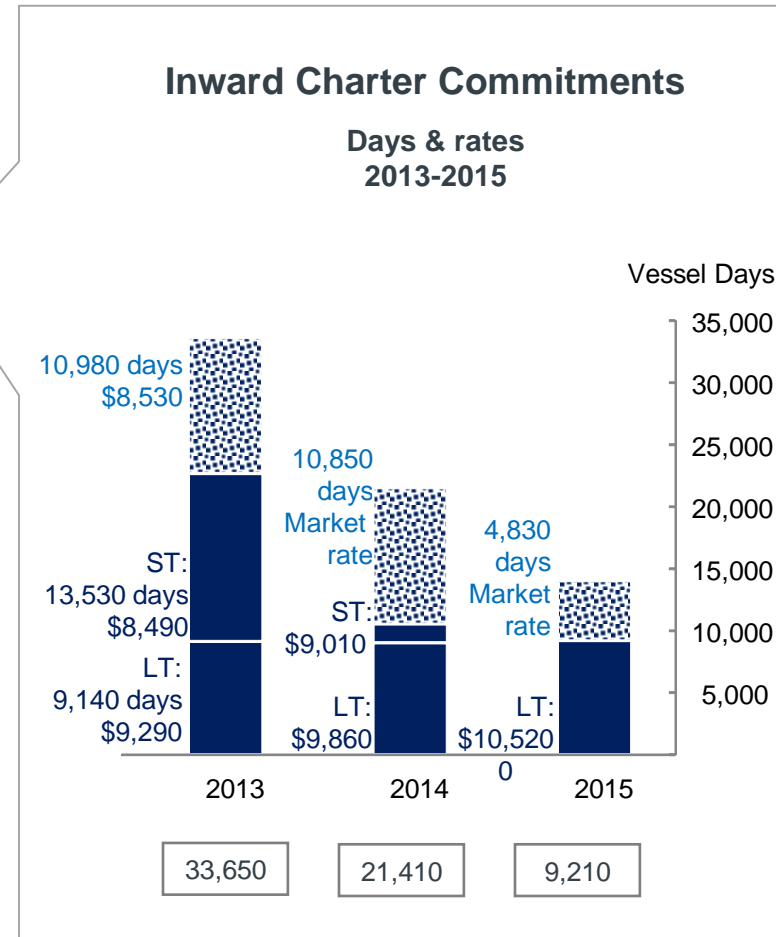
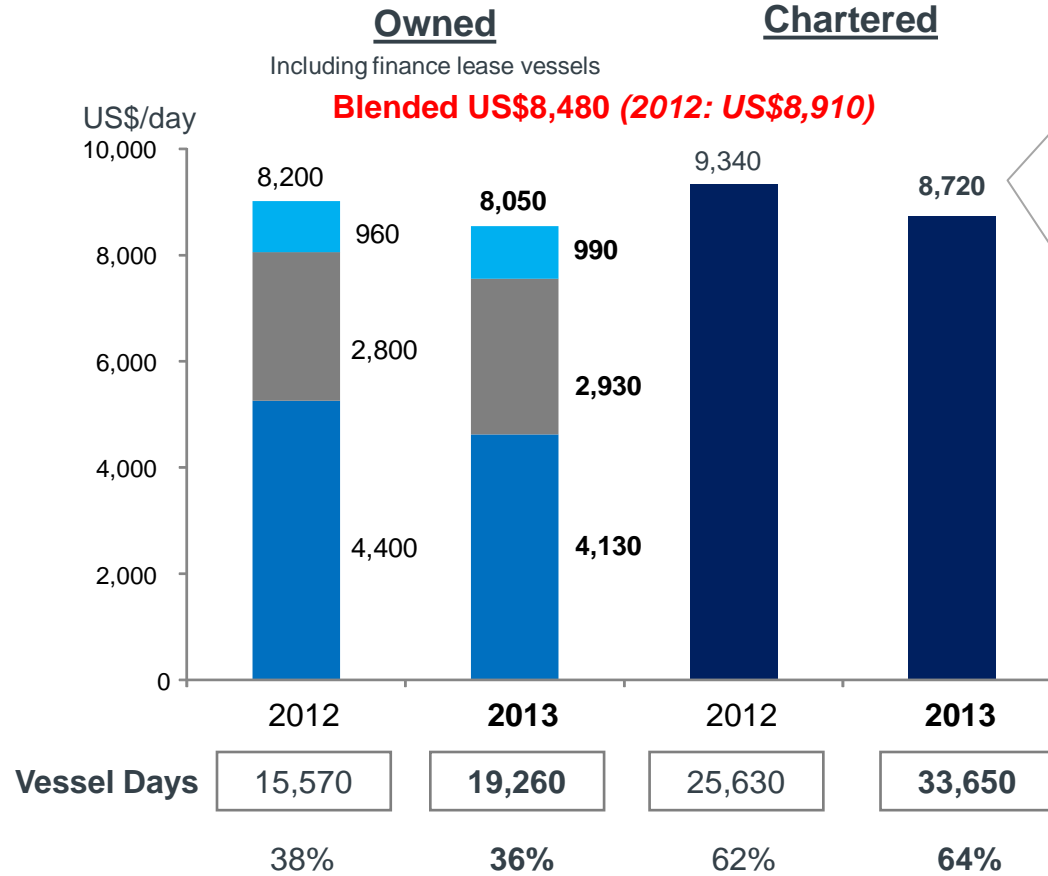
<i>Handysize</i>		2013	2012	Change
Revenue days	(days)	52,550	41,000	+28%
TCE earnings	(US\$/day)	9,520	10,460	-9%
Owned + chartered costs	(US\$/day)	8,480	8,910	-5%
Handysize contribution	(US\$m)	51.8	62.0	-16%
Handymax contribution	(US\$m)	8.5	6.7	+27%
Post Panamax contribution	(US\$m)	5.7	5.9	-3%
Direct overhead	(US\$m)	(40.0)	(35.3)	+13%
Dry Bulk Net profit	(US\$m)	26.1	39.3	-34%
Annualised return on net assets (%)		5%	5%	-

- Revenue days reflects delivery of cyclically low priced vessel purchases starting to deliver
- Daily costs reduction reflects lower market rates for chartered-in vessels

Daily Vessel Costs – Handysize

As at 31 December 2013

- Finance cost
- Charter-hire : Short-term (ST) / Long-term (LT)
- Depreciation
- Charter-hire : Index-linked
- Opex



- Overall direct overheads for Handysize and Handymax vessels US\$540 per day
- Currently estimate 23,750 owned vessel days in 2014

Daily Vessel Costs – Handymax

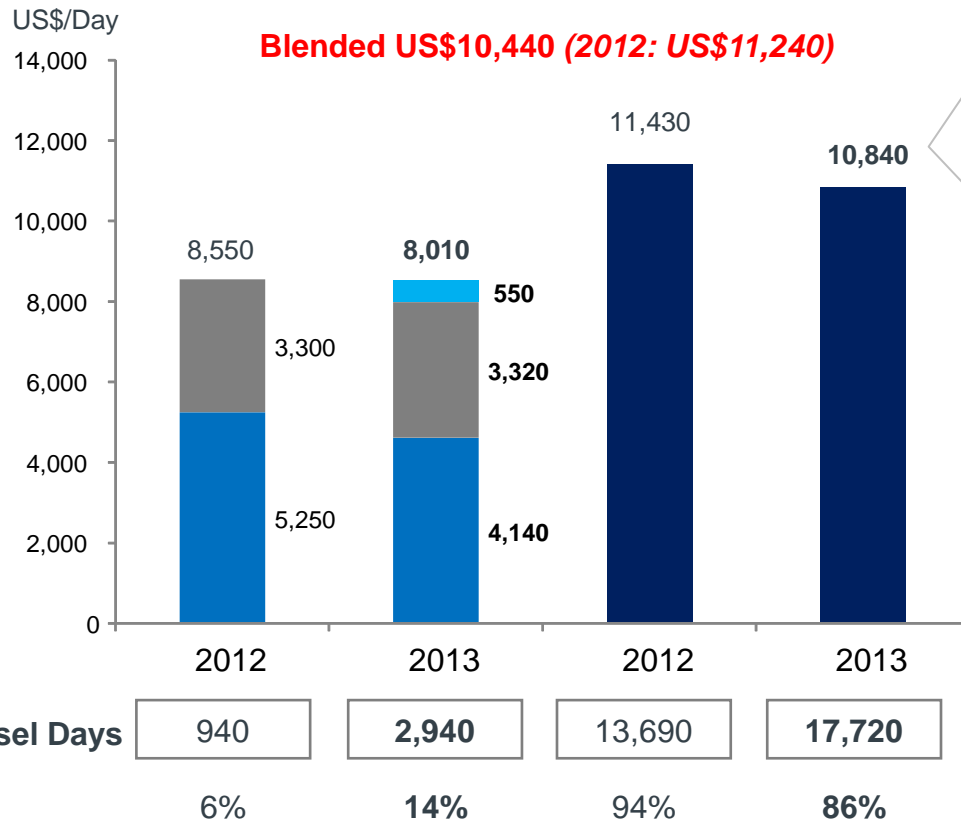
As at 31 December 2013

- Finance cost
- Depreciation
- Opex
- Charter-hire : Short-term (ST) / Long-term (LT)
- Charter-hire : Index-linked

Owned

Chartered

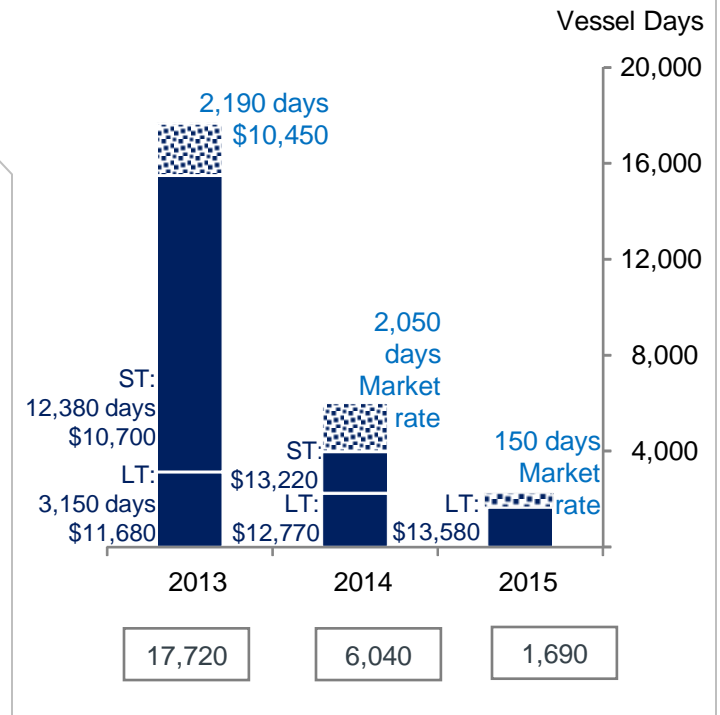
Blended US\$10,440 (2012: US\$11,240)



Year	Category	Vessel Days	Percentage
2012	Owned	940	6%
2013	Owned	2,940	14%
2012	Chartered	13,690	94%
2013	Chartered	17,720	86%

Inward Charter Commitments

Days & Rates
2013-2015



- Currently estimate 5,000 owned vessel days in 2014



Balance Sheet

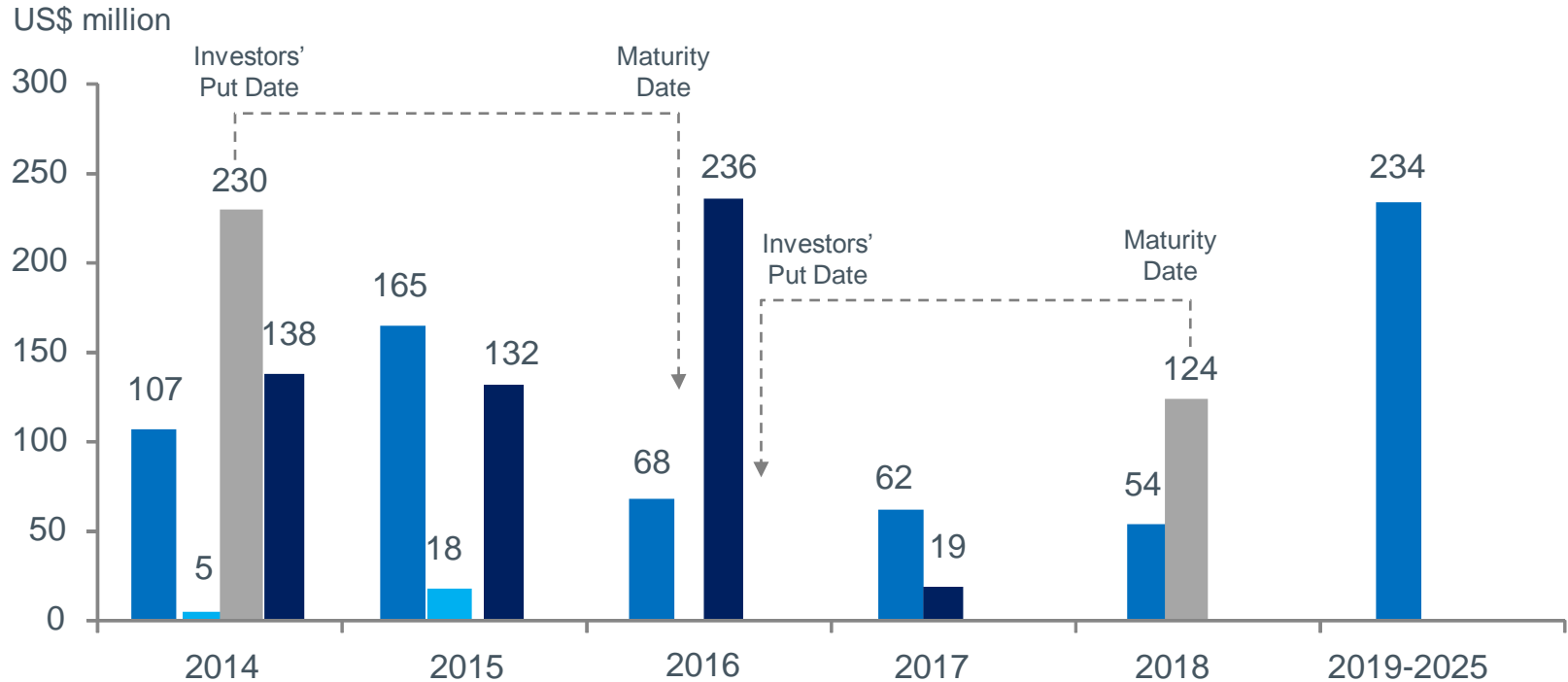
US\$m	PB Dry Bulk	PB Towage	Treasury	Discontinued RoRo	31 Dec 13	31 Dec 12
Vessels & other fixed assets	1,436	183	-	-	1,622	1,270
Total assets	1,655	244	579	32	2,537	2,470
Long term borrowings	1,015	22	-	-	1,037	931
Total liabilities	1,160	40	12	4	1,233	1,138
Net assets	495	204	567	28	1,304	1,332
Net borrowings (after total cash of US\$442m)					551	178
Net borrowings to net book value of property, plant and equipment KPI					34%	14%

- Vessel average net book value: Handysize \$16.7m, 7.6 years
Handymax \$24.8m, 5.1 years
- US\$314m bank borrowing facilities arranged in 2013 and US\$24m undrawn
- KPI: net gearing below 50%

Note: 31 December 2013 total includes other segments and unallocated

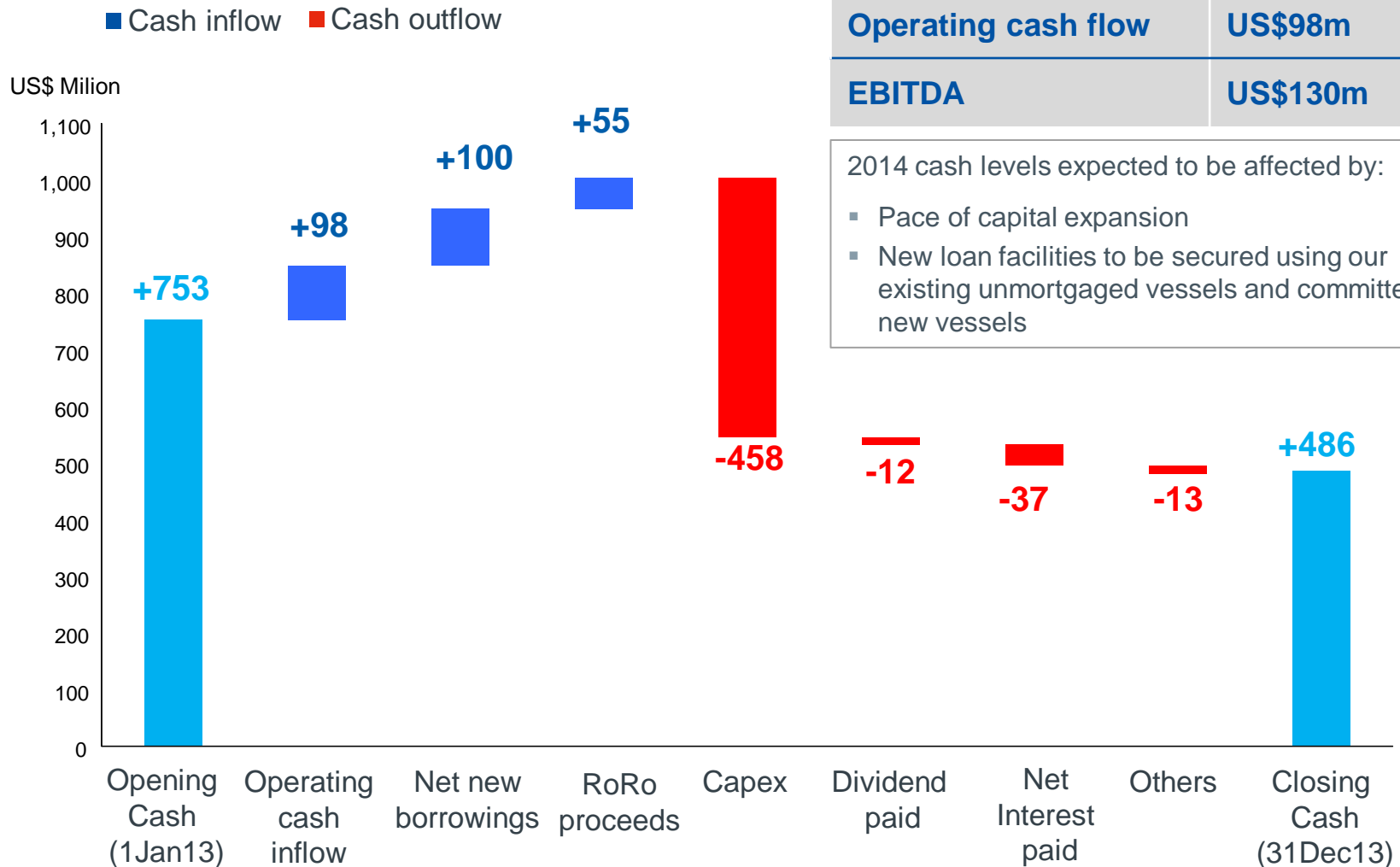
Borrowings and Capex

The Group had cash balances of US\$486m, borrowings of US\$1,037m and a net borrowings ratio of 34% against the Net Book Value of property, plant and equipment



- Bank borrowings (US\$690m)
- Finance lease liabilities (US\$23m)
- Convertible bonds i) face value US\$230m, book value US\$216m: due Apr 2016, redeemable in Apr 2014
ii) face value US\$124m, book value US\$108m: due Oct 2018, redeemable in Oct 2016
- Vessel capital commitments (US\$525m)

Cash Flow – 2013 Sources and Uses of Group Cash Flow



Operating cash flow	US\$98m
EBITDA	US\$130m

2014 cash levels expected to be affected by:

- Pace of capital expansion
- New loan facilities to be secured using our existing unmortgaged vessels and committed new vessels



Dry Bulk

- Cyclical upturn has started – supply and demand balance continues to improve... expect a stronger, volatile dry bulk market in 2014
- We remain selectively open to appropriately priced ship acquisitions to further position ourselves for a stronger market
- **Strategy:** i) Expand our fleet of owned and chartered Handysize and Handymax fleet
ii) Grow our customer and cargo portfolio in tandem with fleet expansion

Towage

- Challenging and weak results for offshore towage as contracts wind down and we compete for new business
- Underlying harbour towage demand drivers remain positive
- **Strategy:** Continue to look for new projects and growth opportunities
 - Harbour towage - Expand into other ports
 - Offshore towage - i) Secure contract renewal opportunities
ii) New offshore construction developments
ii) Project transportation solutions

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.

Our Communication Channels:

- **Financial Reporting**
 - Annual (PDF & Online) & Interim Reports
 - Voluntary quarterly trading updates
 - Press releases on business activities
- **Shareholder Meetings and Hotlines**
 - Analysts Day & IR Perception Study
 - Sell-side conferences
 - Investor/analyst calls and enquiries
- **Company Website - www.pacificbasin.com**
 - Corporate Information
 - CG, Risk Management and CSR
 - Fleet Profile and Download
 - Investor Relations:
 - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary



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Tel : +852 2233 7000

Social Media Communications

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Appendix: Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Handymax dry bulk ships
- Flexible Pacific Basin Dry Bulk business model
 - Large fleet of uniform, interchangeable, modern ships
 - Mix of owned and long-term, short-term chartered ships
 - Operating mainly on long term cargo contract (COA) and spot basis
 - Diversified customer base of mainly industrial producers and end users
 - Extensive network of offices positions PB close to customers
- Also owning/operating offshore and harbour tugs
- >300 vessels serving major industrial customers around the world
- Hong Kong headquarters, 16 offices worldwide, 380 shore-based staff, 3,000 seafarers*
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders



www.pacificbasin.com

Pacific Basin business principles



OUR LARGE VERSITILE FLEET

Fleet scale and interchangeable high-quality dry bulk ships facilitate service flexibility to customers, optimised scheduling and maximised vessel utilisation

In-house technical operations facilitate enhanced health & safety, quality and cost control, and enhanced service reliability and seamless, integrated service and support to customers

OUR MARKET LEADING CUSTOMER FOCUS & SERVICE

Priority to build and sustain long-term customer relationships

Solution-driven approach ensures accessibility, responsiveness and flexibility towards customers

Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit



OUR STRONG CORPORATE & FINANCIAL PROFILE

Striving for best-in-class internal and external reporting, transparency and corporate stewardship

Robust balance sheet through conservative financial structure sets us apart as a preferred counterparty

Well positioned to deploy capital through selective investment in our core market when conditions are right

Responsible observance of stakeholder interests and our commitment to good corporate governance and CSR

OUR COMPREHENSIVE GLOBAL OFFICE NETWORK

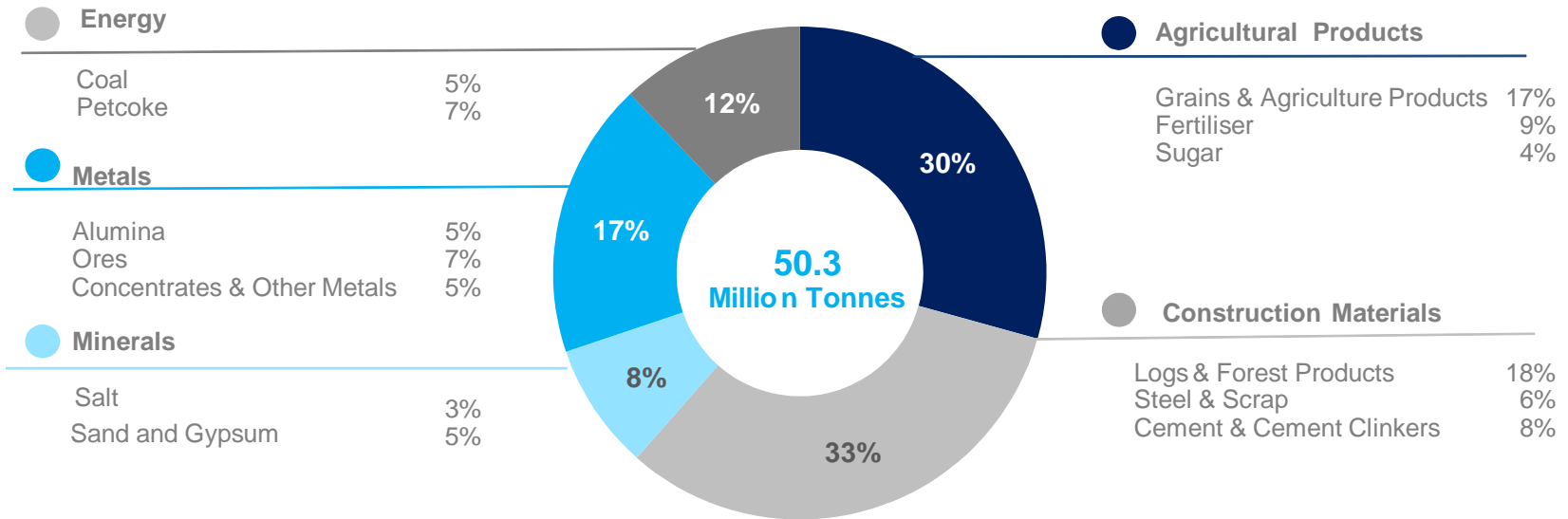
Integrated international service enhanced by commercial and technical offices around the world

Being local facilitates clear understanding of and response to customers' needs and first-rate personalised service

Being global facilitates comprehensive market intelligence and cargo opportunities, and optimal trading and positioning of our fleet

Appendix: Pacific Basin Dry Bulk – Diversified Cargo

Pacific Basin Handysize and Handymax Cargo Volume 2013



- Diverse range of commodities reduces product risk
- China and North America were our largest market
- 60% of business in Pacific and 40% in Atlantic

Appendix: Fleet List – As at 24 Feb 2014*

Pacific Basin Dry Bulk Fleet: 278 (currently operating: 241)

average age of core fleet: 6.6 years old

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered	Newbuilding	
Handysize	62	13	98	14	187¹
Handymax	15	6	64	4	89¹
Post-Panamax	1	0	1	0	2
Total	78	19	163	18	278



Fleet Details
www.pacificbasin.com

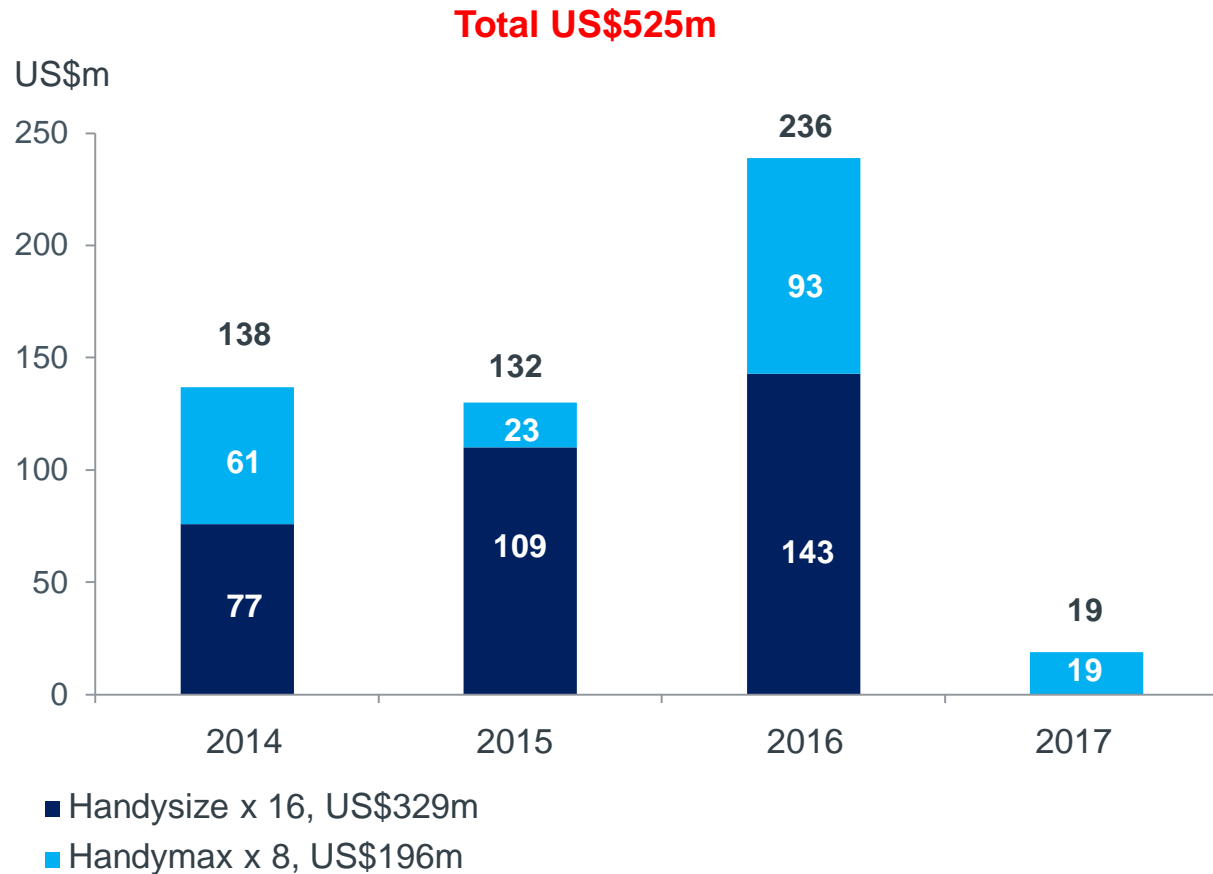
PB Towage : 52

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered	Newbuilding	
Tugs	31	0	9	0	40
Barges	10	0	0	0	10
Others	1	0	1	0	2
Total	42	0	158	0	52

* Excluding 4 RoRo ships

¹ Including recent secondhand acquisitions of 3 Handysize and 2 Handymax vessels not yet delivered

Appendix: Vessels Commitments

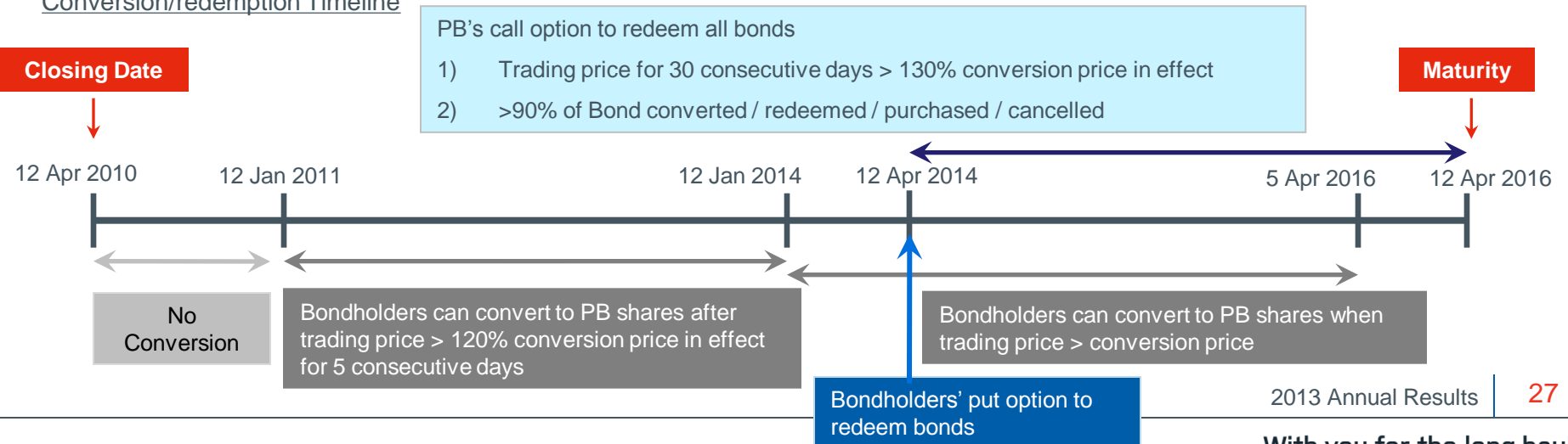


- Further commitments expected in Dry Bulk

Appendix: Convertible Bonds Due 2016

Issue size	US\$230 million	
Maturity Date	12 April 2016 (6 years)	
Investor Put Date and Price	12 April 2014 (4 years) at par	
Coupon	1.75% p.a. payable semi-annually in arrears on 12 April and 12 October	
Redemption Price	100%	
Initial Conversion Price	HK\$7.98 (Current conversion price: HK\$ 7.18 with effect from 24 April 2013)	
Conversion Condition	Before 11 Jan 2011:	No Conversion is allowed
	12 Jan 2011 – 11 Jan 2014:	Share price for 5 consecutive days > 120% conversion price
	12 Jan 2014 – 5 Apr 2016:	Share price > conversion price
Intended Use of Proceeds	To purchase the 3.3% Existing Convertible Bonds due 2013, then redeem the 2013 Convertible Bonds (now all redeemed & cancelled)	
Conditions	<ul style="list-style-type: none"> Shareholders' approval at SGM to approve the issue of the New Convertible Bonds and the specific mandate to issue associated shares. If the specific mandate is approved by the shareholders at the SGM, the Company would not pursue a new general share issue mandate at the forthcoming AGM on 22 April 2010 	

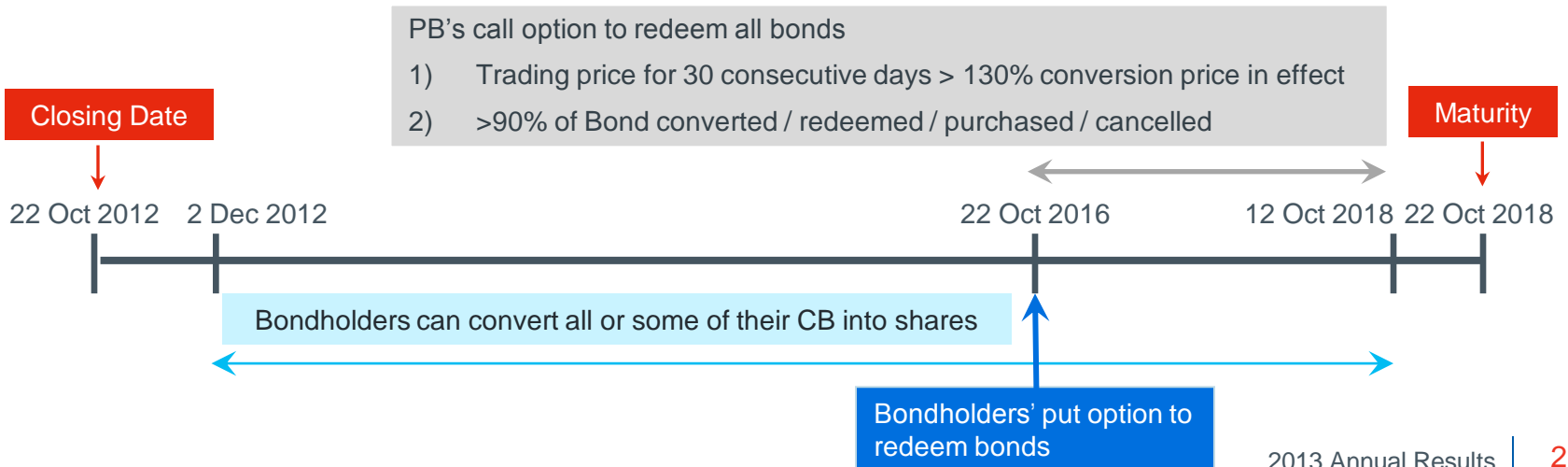
Conversion/redemption Timeline



Appendix: Convertible Bonds Due 2018

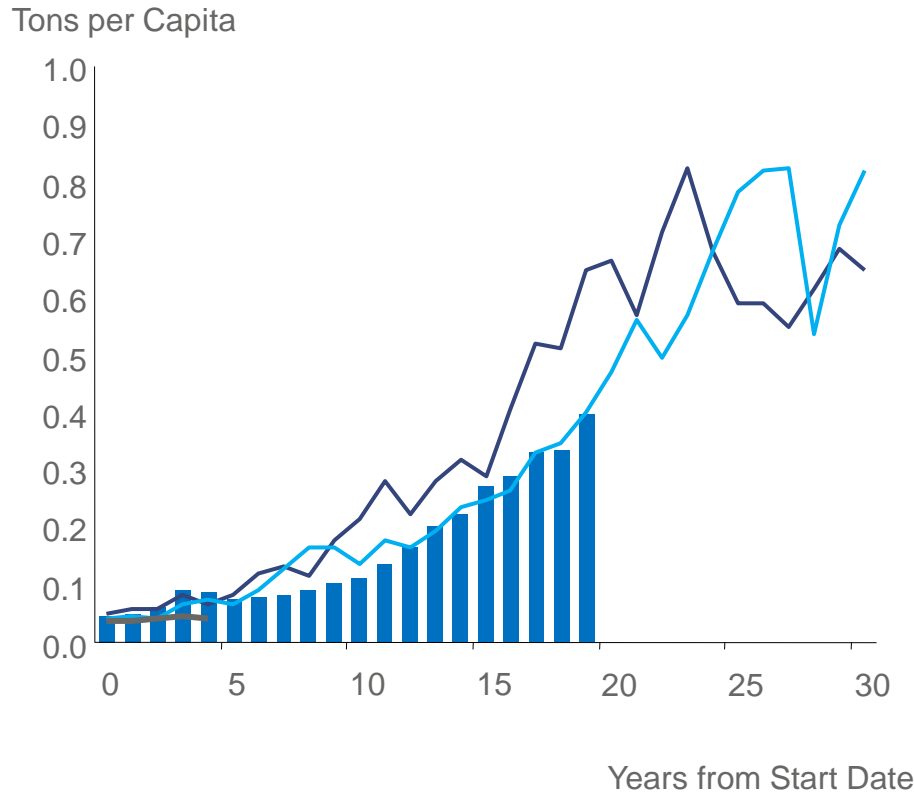
Issue size	US\$123.8 million
Maturity Date	22 October 2018 (6 years)
Investor Put Date and Price	22 October 2016 (4 years) at par
PB's Call Option	1) Trading price for 30 consecutive days > 130% conversion price in effect 2) >90% of Bond converted / redeemed / purchased / cancelled
Coupon	1.875% p.a. payable semi-annually in arrears on 22 April and 22 October
Redemption Price	100%
Initial Conversion Price	HK\$4.96 (current conversion price: HK\$4.90 with effect from 24 April 2013)
Intended Use of Proceeds	To acquire additional Handysize and Handymax vessels, as well as for general working capital

Conversion/redemption Timeline



Appendix: China at late-Industrialisation Stage

Steel Consumption Per Capita

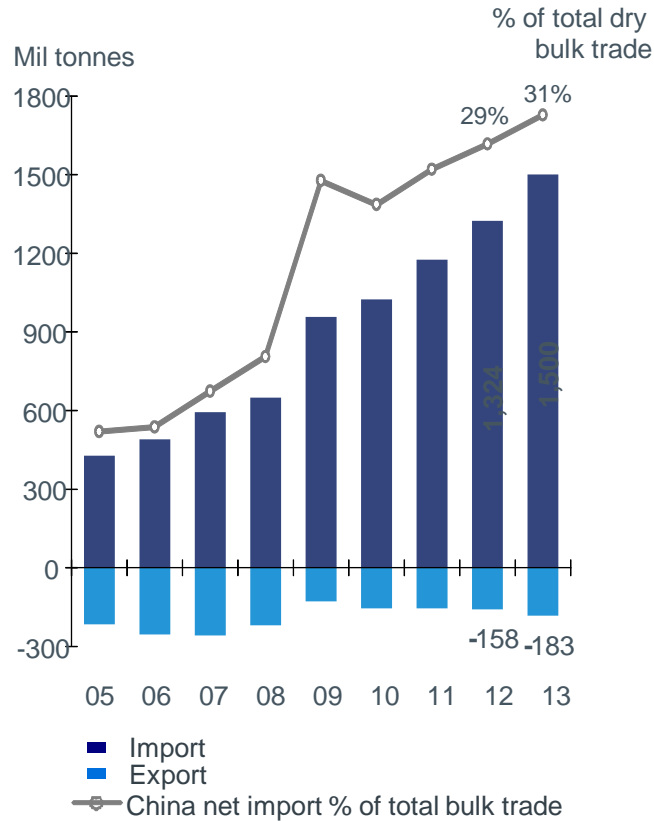


- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

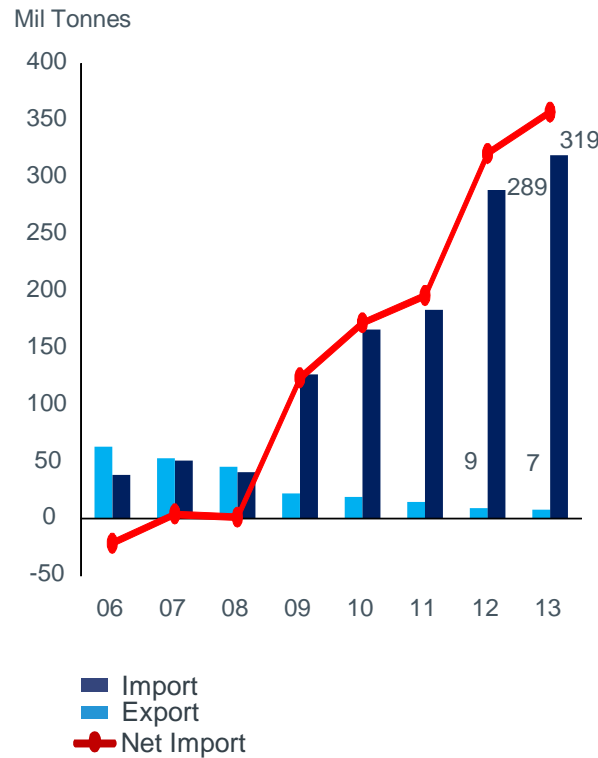
■ China (from 1990)
 ■ Japan (from 1950)
 ■ Korea (from 1970)
 ■ India (from 2005)

Appendix: China Dry Bulk Trade, Iron Ore & Coal Demand

Chinese Dry Bulk Trade Volume



China is a significant net importer of coal



China Iron Ore Sourcing for Steel Production



Source: Clarksons, Bloomberg