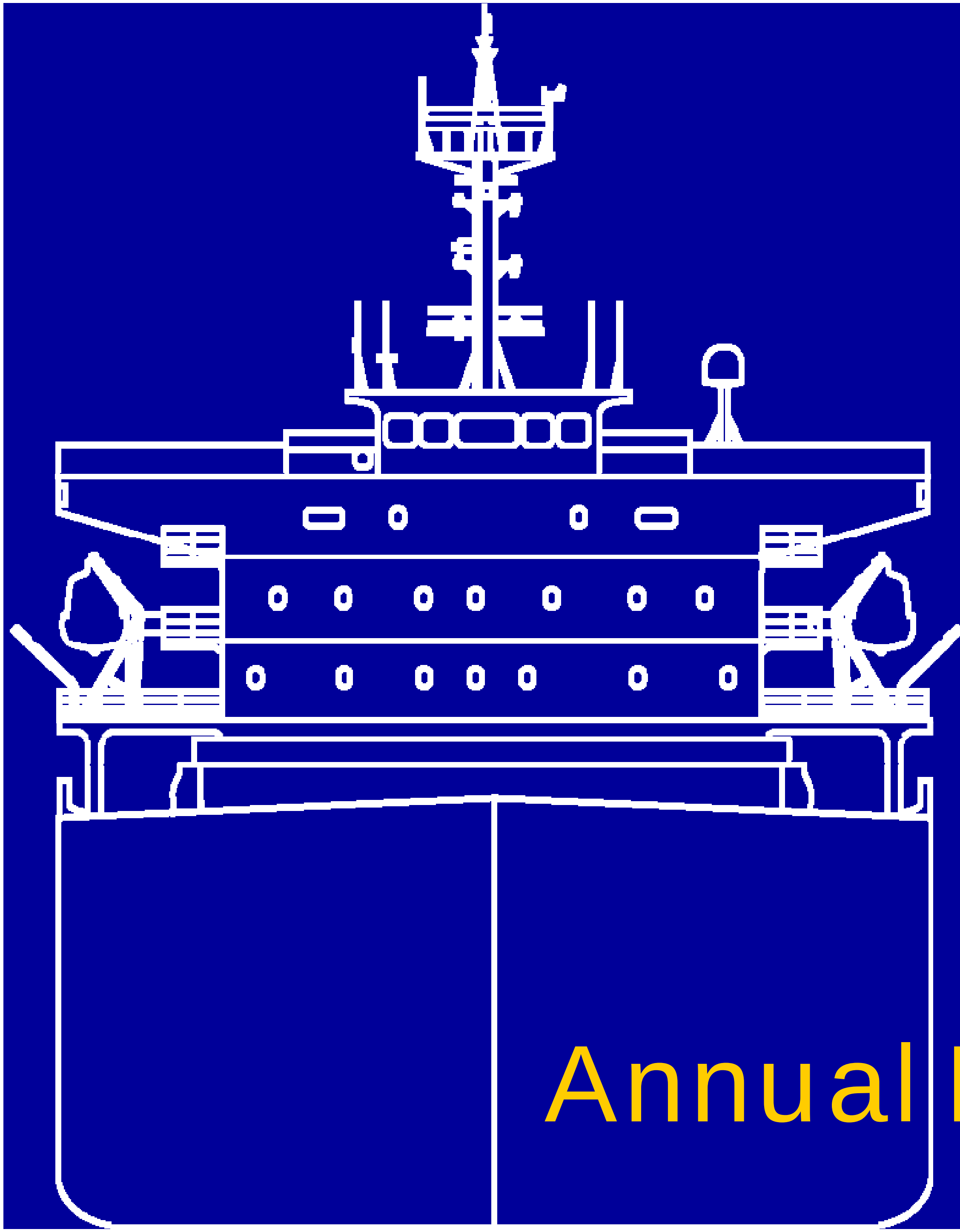


Pacific Basin

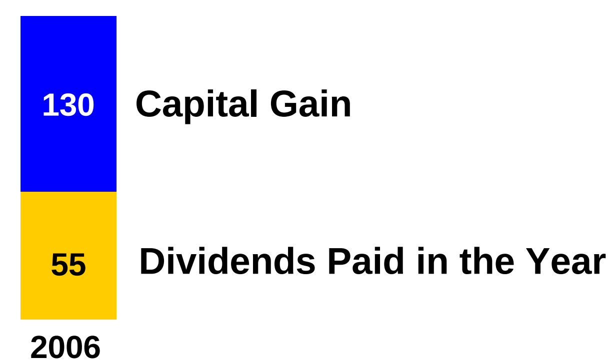
Stock Code: 2343

Annual Results 2006

Results Highlights

- **Profits: US$110.3m (2005: 147.1m) • Basic EPS: HK65¢ (90¢)**
- **A year of two halves with 2H profit double 1H - 1H06:US$36.4m, 2H06:US$73.9m**
- **Handysize average daily charter rate: US$15,420/day (17,100/day)**
- **Net cash from operations : US$148.2m (173.3m)**
- **ROE: 36% (54%) • Net Profit Margin: 32% (56%)**
- **Proposed final dividend 2006: HK22.5¢ (Interim dividend 2006 paid: HK20¢)**
- **Payout: 71% (73%)**
- **Total shareholders' return: 51% (21%)**

Total Shareholders' Return: 51% *



**** Capital gain was share price appreciation in 2006, Dividends = Final 05 of HK35¢ and Interim 06 of HK20¢***

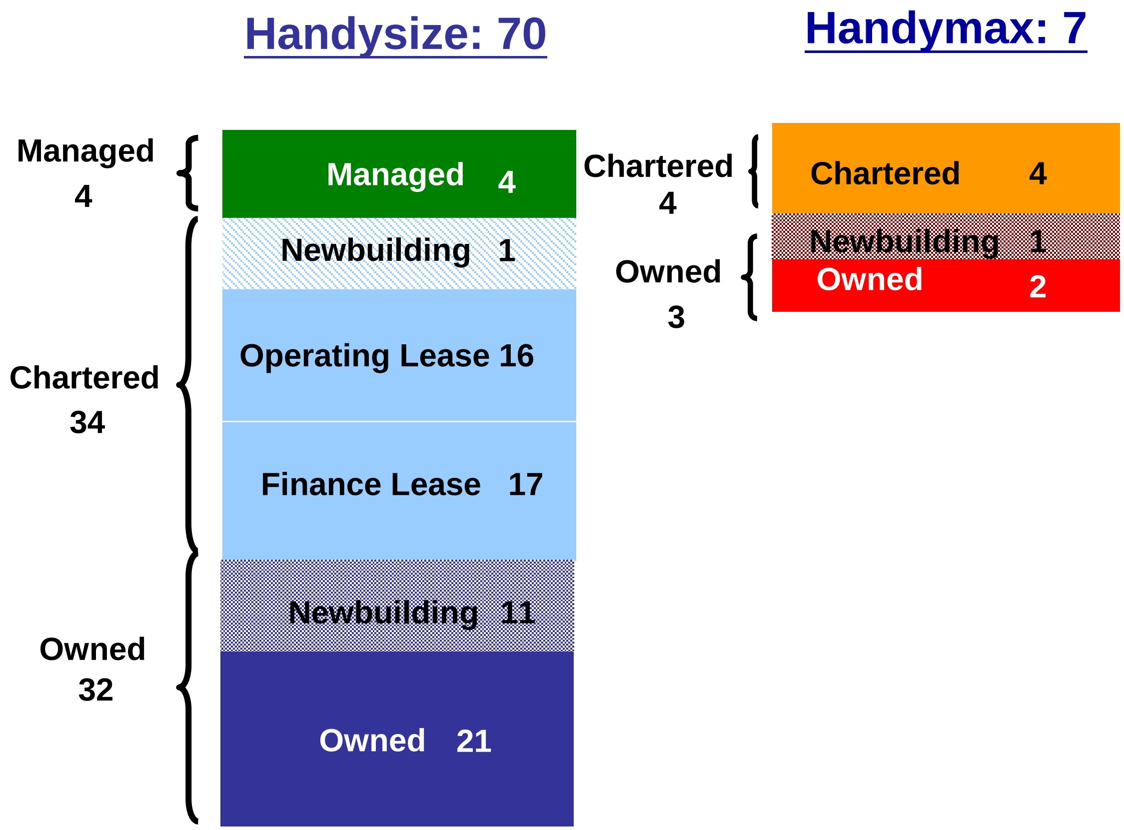
What is Pacific Basin?

- **World's largest modern handysize vessel owner/ operator**
- **Handysize revenue days grew by 66% from 2004 to 2006**
- **16 offices worldwide, 260 shore-based staff, 1000 sea-farers**
- **Highly profitable industry**

- **2007 Handysize revenue days to grow by further 23% over 2006**
- **TCE earnings grew by 83% from 2004 to 2006**
- **Track record for providing shareholder return including high dividend payout**

- **Carry dry bulk commodities needed for China's and Asia's future growth**
- **Ideally positioned to benefit from future growth in China and Asia**
- **Continued cyclical upswing in the dry-bulk market**

Fleet Profile



Core Fleet Profile as at 28 Feb 2007

Core fleet totals 77 vessels

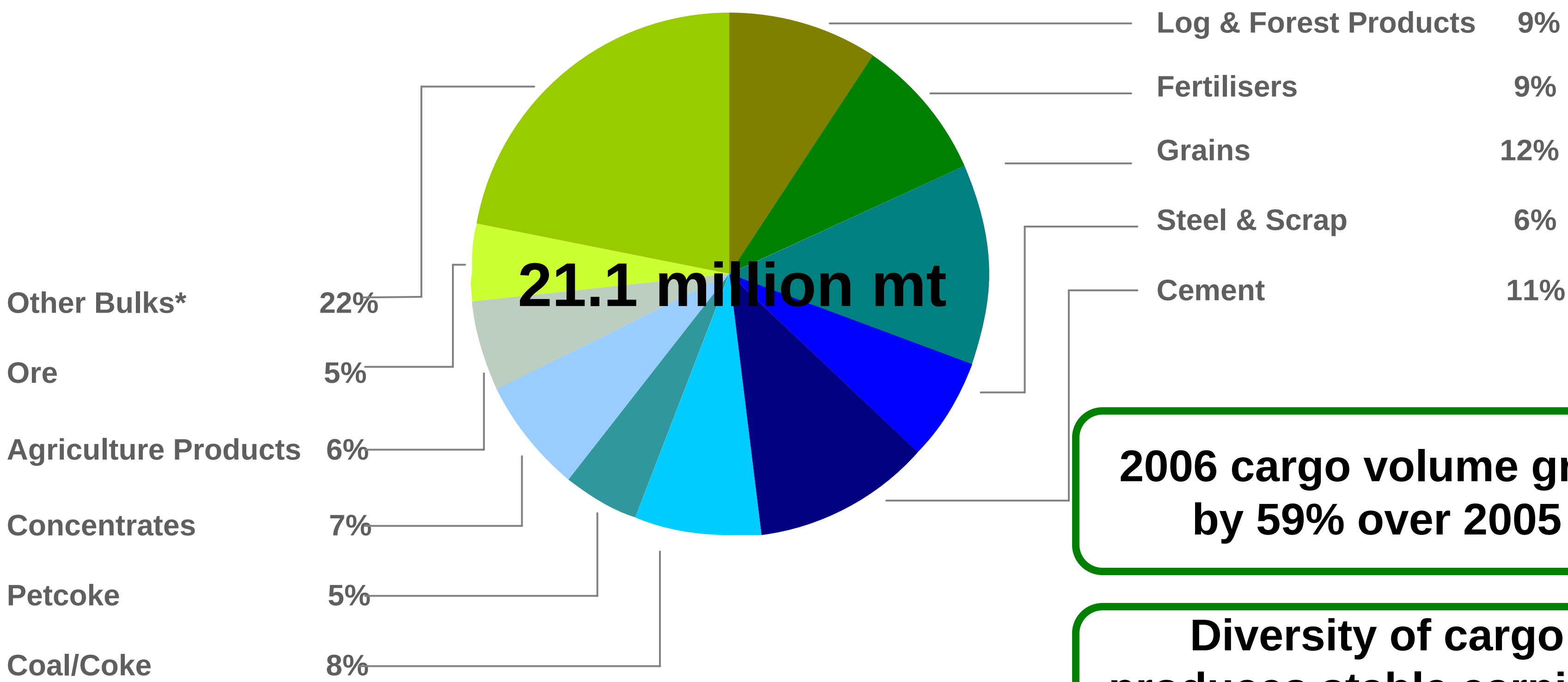
Core & short-term vessels - totals 99

Investment programme totals US$ 250 million in 12 vessels

2007 Handysize revenue days to grow further by 23% over 2006

Diversified Cargo

Total Handysize and Handymax Cargo Volume in 2006



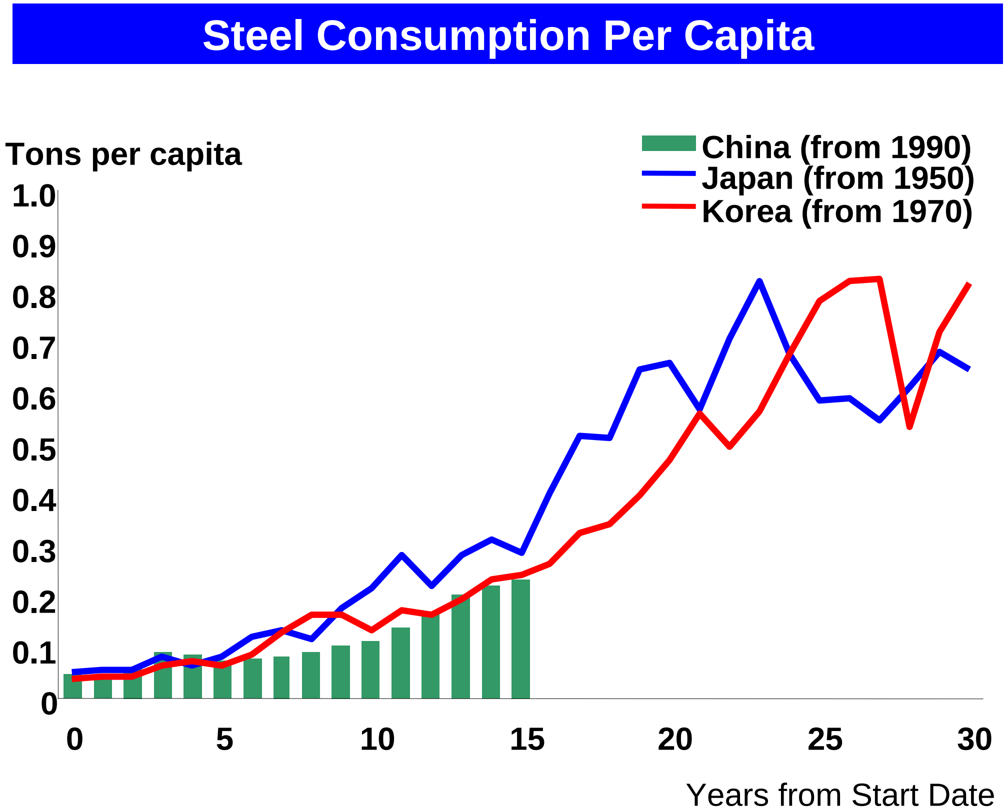
2006 cargo volume grew by 59% over 2005

Diversity of cargo produces stable earnings versus major bulks

Ballast time: 14%

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

China at Early Industrialization Stage



Same growth as historical trend in Japan and Korea

Indicating long term dry bulk strong growth

Same trend for other commodities – electricity & cement

Source: UBS

Financial Highlights

	2006	2005
TCE Earnings (US$m)	344.8	264.7
Vessel disposals net gain	23.7	23.5
Reported net profit	110.3	147.1
Return on average shareholders equity	36%	54%
Basic EPS (HK¢)	65	90
Dividends (HK¢ per share)	42.5	65.0
Payout ratio	71%	73%

Results – Handysize Freight & Charter-hire

Drivers of the results

		1H06	2H06	2006	2005	% Change
Revenue days	**(days)**	7,570	8,850	**16,420**	**14,260**	**+15%**
TCE earnings	**(US$/day)**	14,400	16,290	**15,420**	**17,100**	**-10%**
Owned + chartered cost	**(US$/day)**	8,540	9,160	**8,880**	**7,870**	**+13%**
Contribution	**(US$m)**	44.4	63.0	**107.4**	**131.6**	**-18%**

2H06 deliveries increase revenue days

1H06 TCE rates soft

Blended cost reflects more chartered in vessels

Results – Handymax Freight & Charter-hire

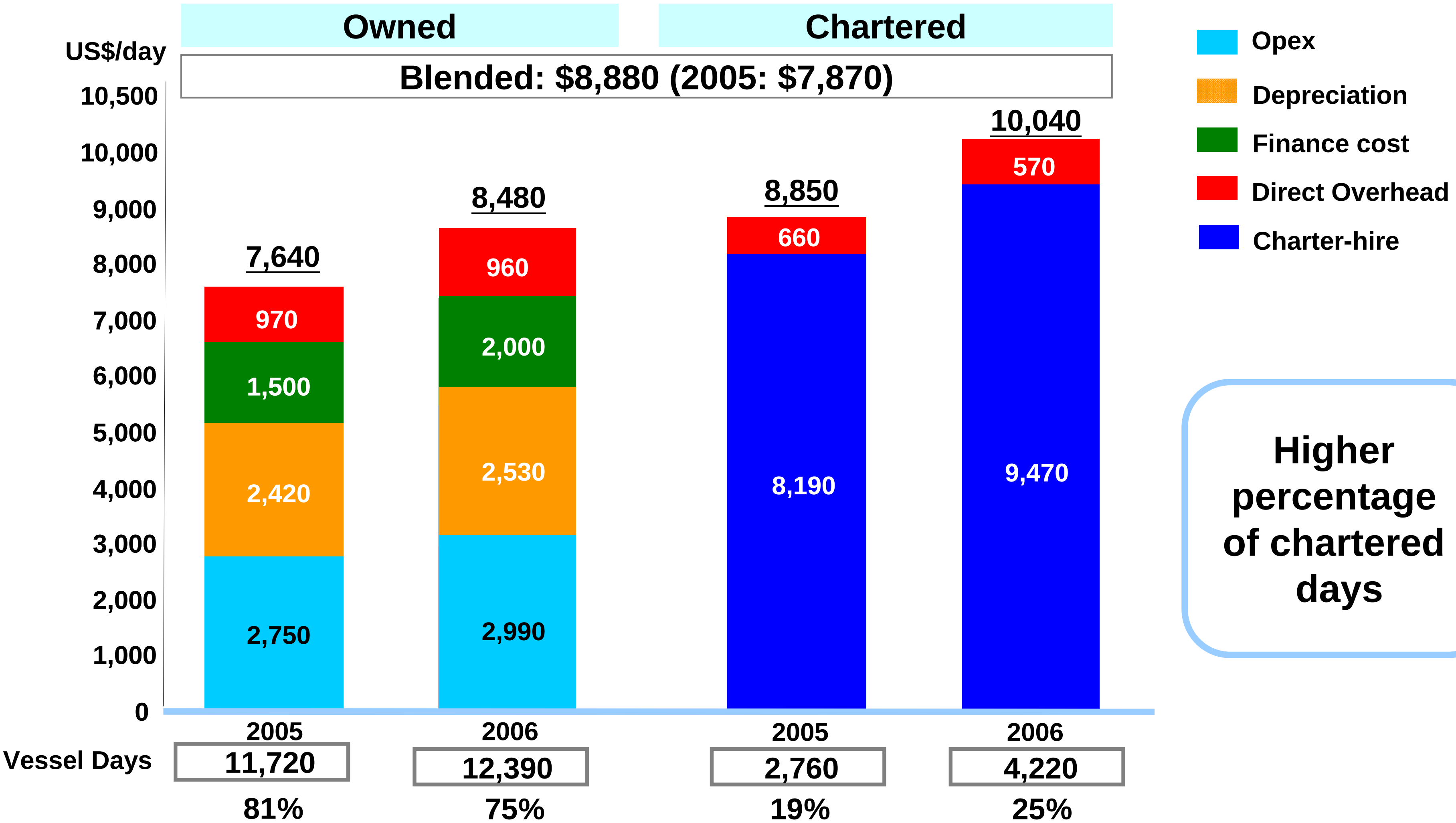
Drivers of the results

		1H06	2H06	2006	2005	% Change
Revenue days	**(days)**	1,680	3,370	**5,050**	**720**	**+602%**
TCE earnings	**(US$/day)**	14,150	17,420	**16,330**	**8,460**	**+93%**
Owned + chartered cost	**(US$/day)**	15,920	17,760	**17,150**	**8,400**	**+104%**
Contribution	**(US$m)**	(3.0)	(1.1)	**(4.1)**	**0**	

2H06 revenue days twice 1H

2006 loss related to 1H FFA positions locked in

Daily Vessel Costs - Handysize



Higher percentage of chartered days

Balance Sheet

US$m	31 Dec 06	31 Dec 05
Net book value of fixed assets [1]	741.0	504.3
Gross borrowings	350.5	316.9
Cash	63.2	83.7
Net borrowings	287.3	233.2
Shareholder's equity	485.0	309.3
Net borrowings / Fixed assets	38.0%	45.0%
Net borrowings / Shareholder's equity	59.0%	75.0%

Note 1
39 Delivered vessels:
NBV = US$683.5m, average US$17.5m
Insured value = US$1.17bn (31 Dec 06)

Insured values of all vessels with ownership interest US$1.9bn

Capital commitments 31Dec06: US$251.7m

Cashflow

US$m	2006	2005
Operating cash inflows	148.2	173.3
Investing cash (out)/inflows	(241.1)	24.7
- Payments for property, plant and equipment	(286.2)	(121.2)
- Sales of vessels	39.9	139.5
- Others	5.2	6.4
Financing cash in/(out) flows	74.1	(157.5)
- Net proceeds from share placement (Nov '06)	154.3	-
- Net drawdown / (repayment) of borrowings	33.6	(372.9)
- Sale proceeds under finance leases	-	318.0
- Payment of interest and other finance charges	(25.4)	(17.0)
- Dividend paid	(91.6)	(88.5)
- Others	3.2	2.9
Cash at 31 December	63.2	82.1

Dividends

High payout – continue to payout at least 50% of annual attributable profits in 2007

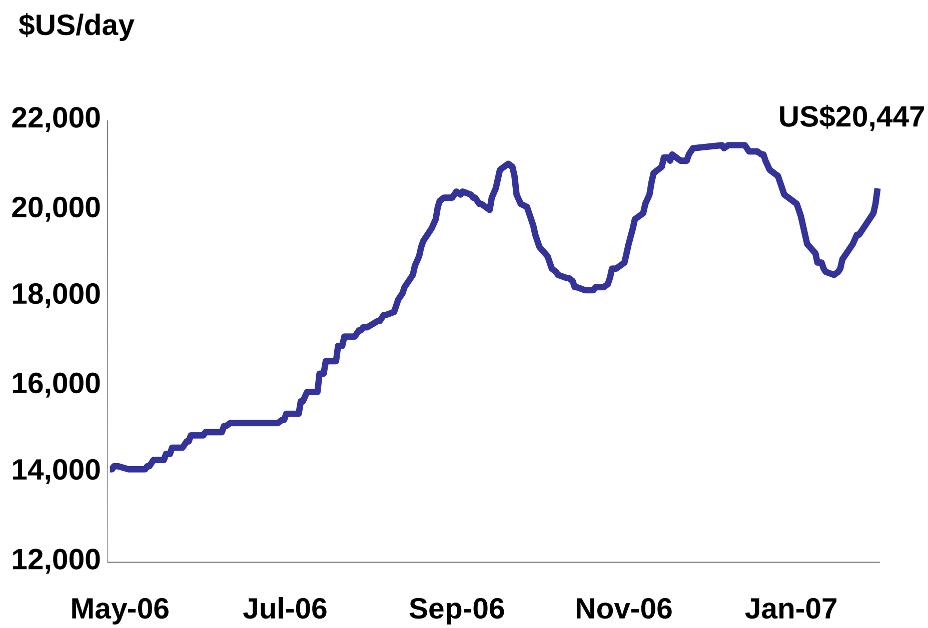
Actual payout ratio has consistently exceeded the stated policy

Year	Dividend	US$m	HK¢ per share	Payout Ratio
2006	Interim (paid 7Sep06)	33.4	20.0	
	Proposed final (ex-div 29Mar07)	45.1	22.5	
	Total for year	78.5	42.5	71%
2005	Total for year	107.6	65.0	73%

The Baltic Exchange Indices

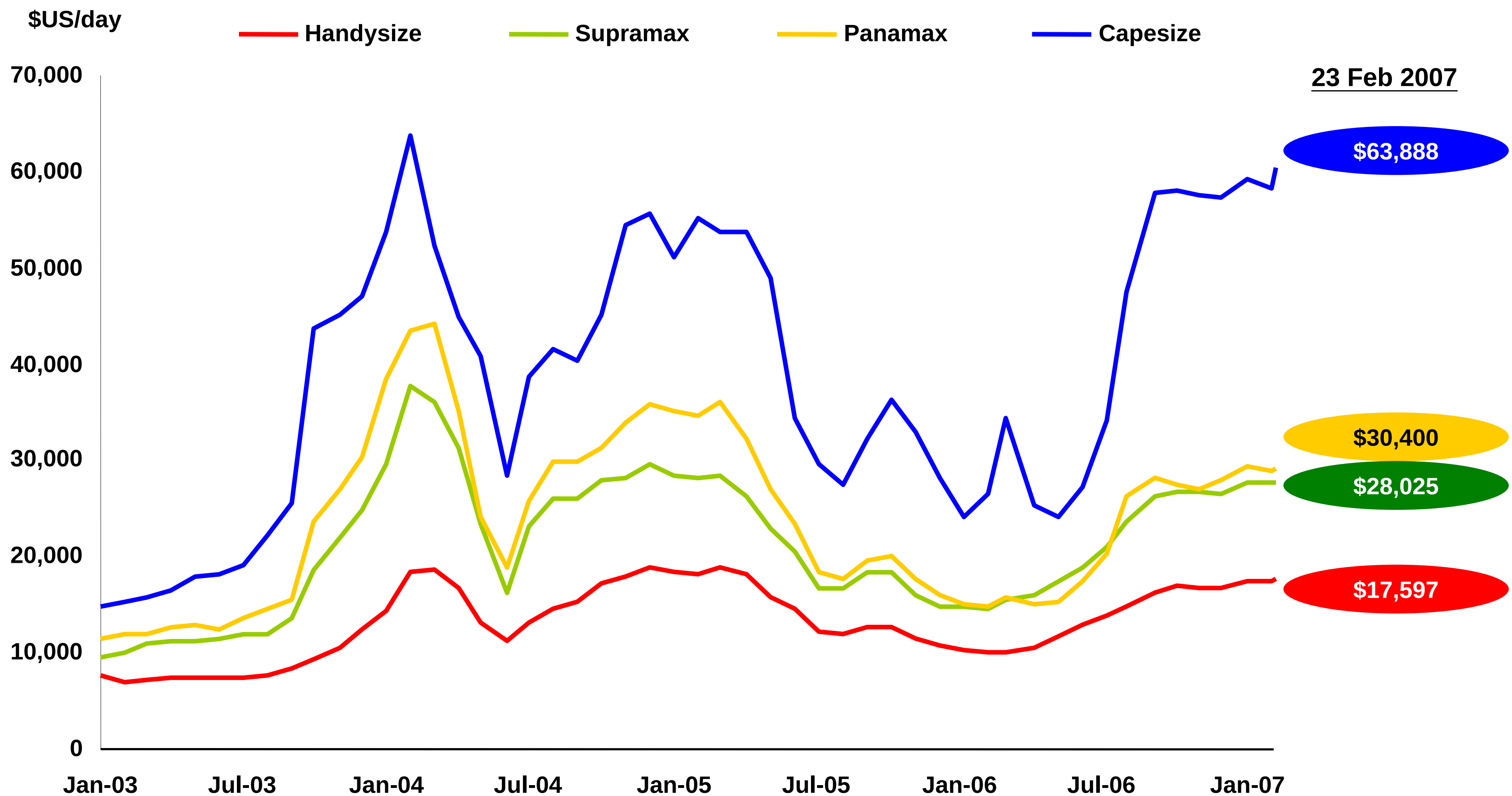
The Baltic Exchange Dry Index (BDI)

The Baltic Exchange Handysize Index (BHSI)



Sources: Bloomberg LP, The Baltic Exchange
Note: BHSI shown as Net Rate
Both BDI and BHSI are as at 28 Feb 2007, BHSI official start at 2 Jan 2007

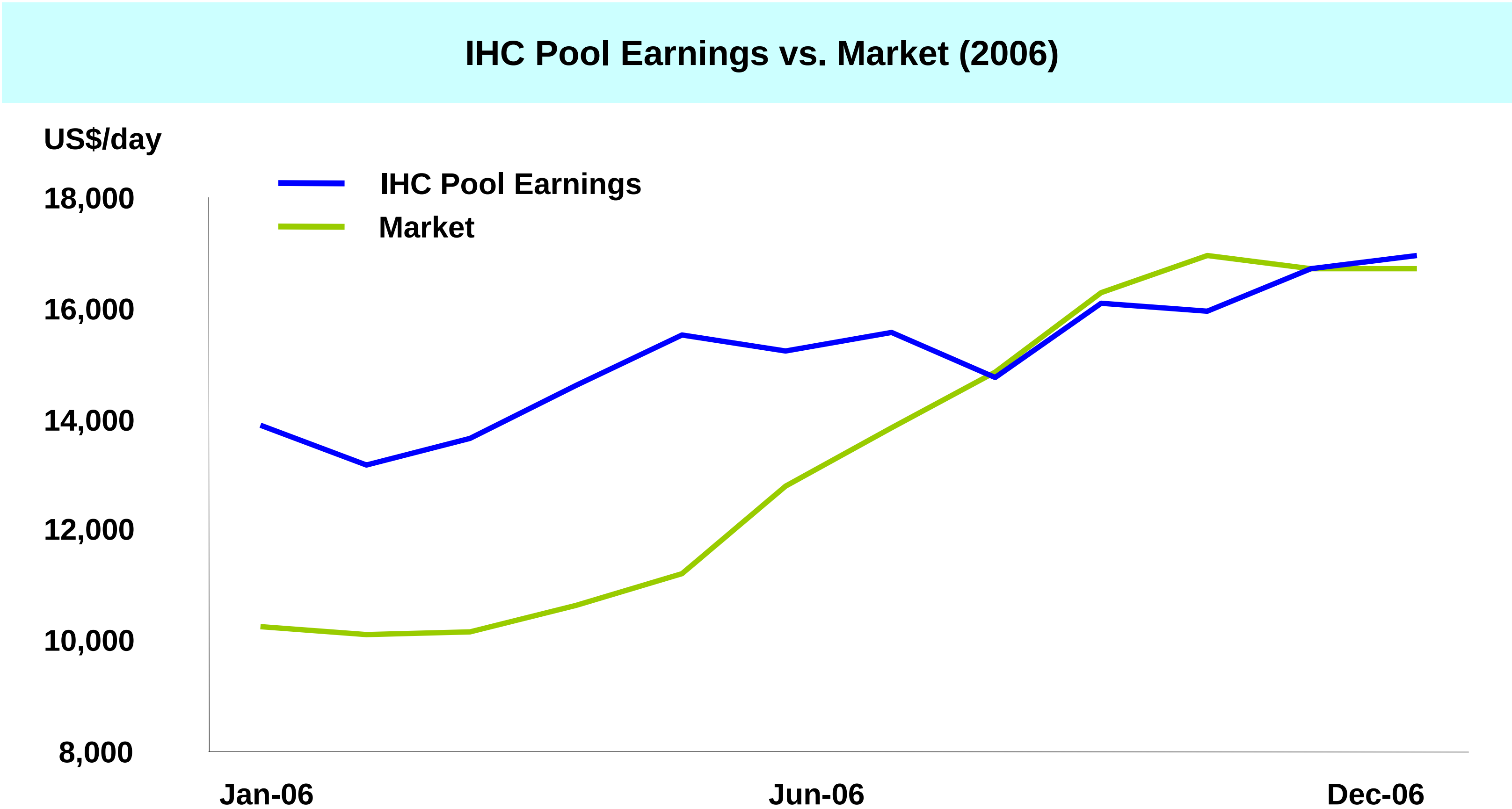
Dry Bulk – 1 year Time-Charter Rate



Note: Net Rate, Handysize 1 Year TCE Rate based on PB Benchmark

Source: Clarkson

PB Against the Market

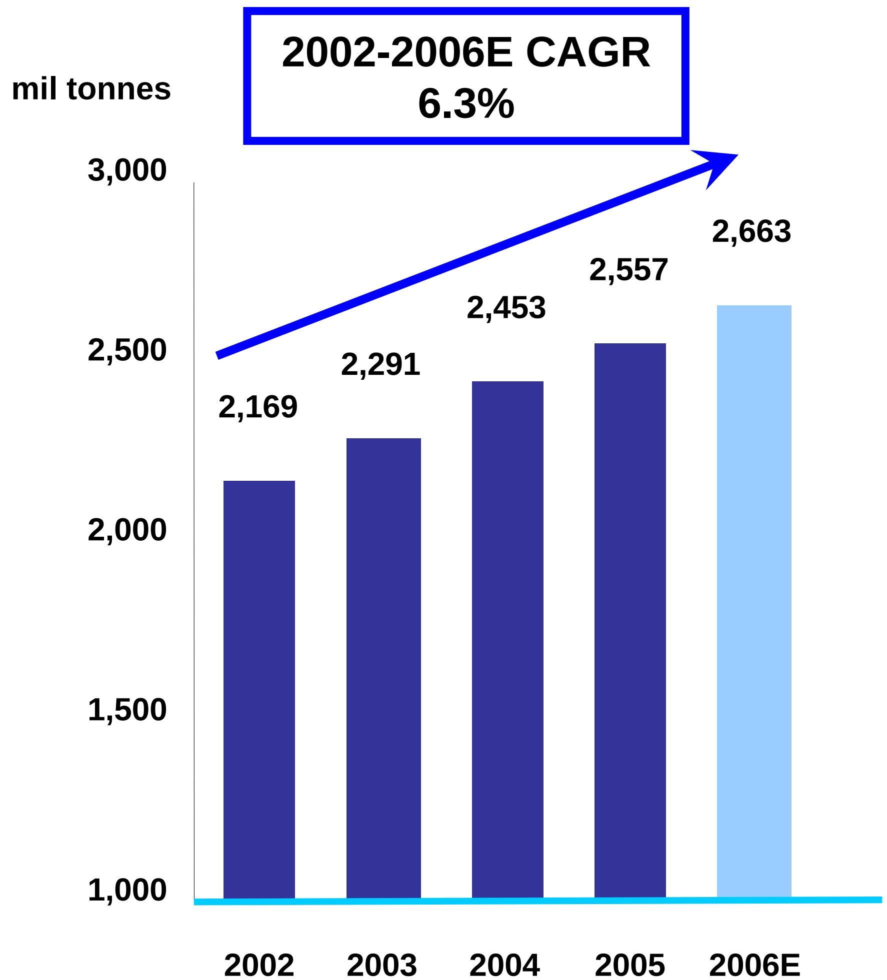


We outperform by US$1,800/day or 14% in 2006

Sources: Company data, Clarkson
Note: Market defined as Clarkson 1-Yr TCE Net Rate

Strong Growth in Dry-bulk Trade

World Seaborne Dry Bulk Trade



Historical growth of approx. 2%

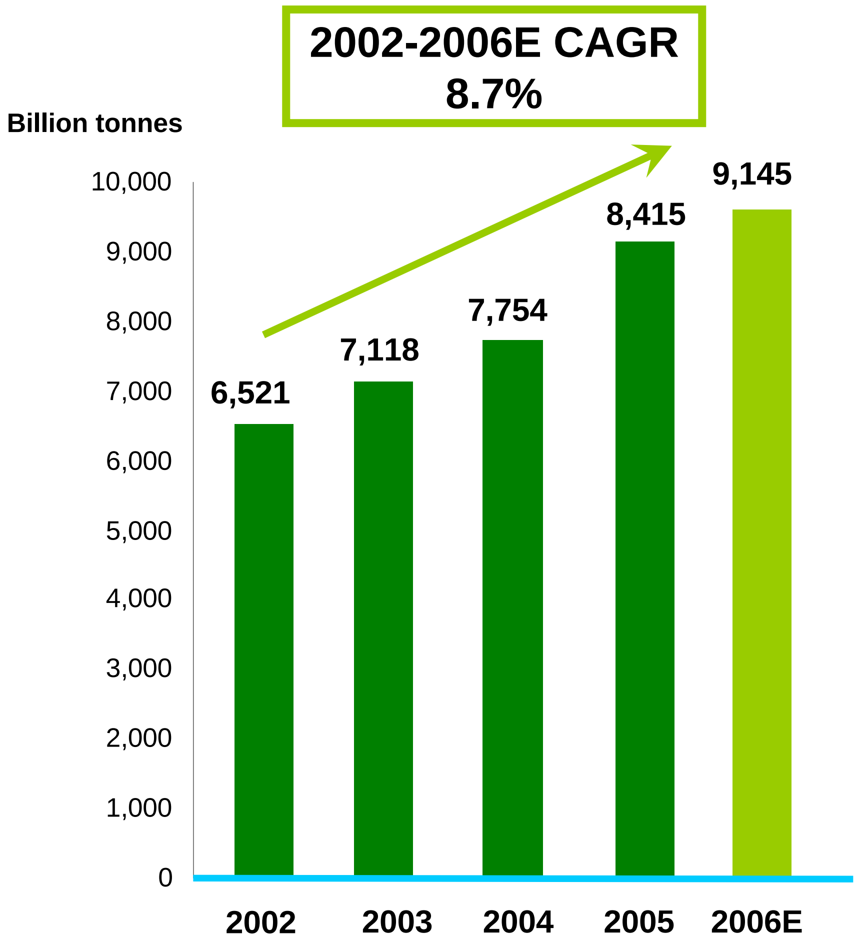
Dry-bulk trade estimated to increase over 5% 07/06

Significant growth in recent 5 years

Source: Clarkson

Tonne-miles: Distance Carried is a Crucial Factor

Global trade in major bulks – tonne-miles



Distances carried are growing – and continue to do so

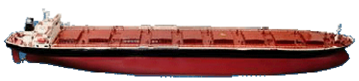
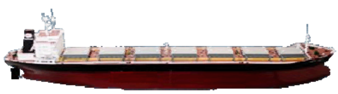
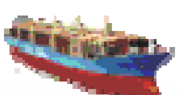
8.7% real growth driver for dry-bulk ship demand

Estimated 5% growth in 2007

Source: Fearnleys
Note: Major bulks include iron ore, coal, grain

Low Orderbook in Handysize

Type of Vessels	Orderbook as % of Existing Fleet
Container	44%
Tanker	37%
Others	21%
Dry Bulk	22%

		Ave. Age
Capesize 100K + 	31%	11.0
Panamax 60-100K 	20%	11.5
Handymax 40K-60K 	23%	11.5
Handysize 25-35K 	15%	17.9

All yards are almost full until 2010

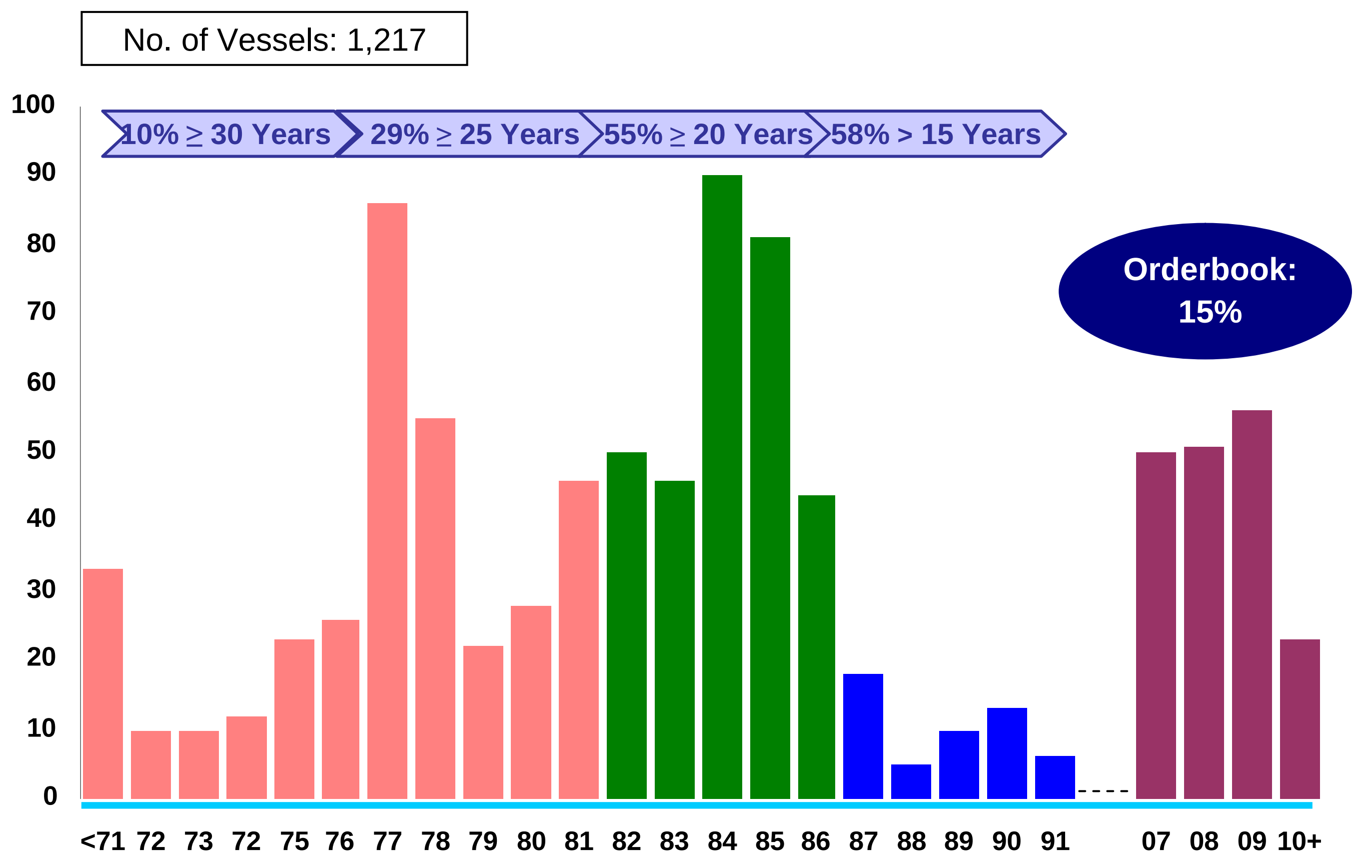
Yards prefer to build large vessels with higher profitability

Limited supply in dry-bulk, particularly Handysize

Orderbook as at Jan 2007, Source: Clarkson

But Even Better- Ageing World Fleet Points to Scrapping

Age Profile of Global Handysize (25-35K) – January 2007



More than 29% older than 25 years

Handysize ave. age is 17.9 years old, eldest among dry-bulk fleet

Low net supply of Handysize despite demand

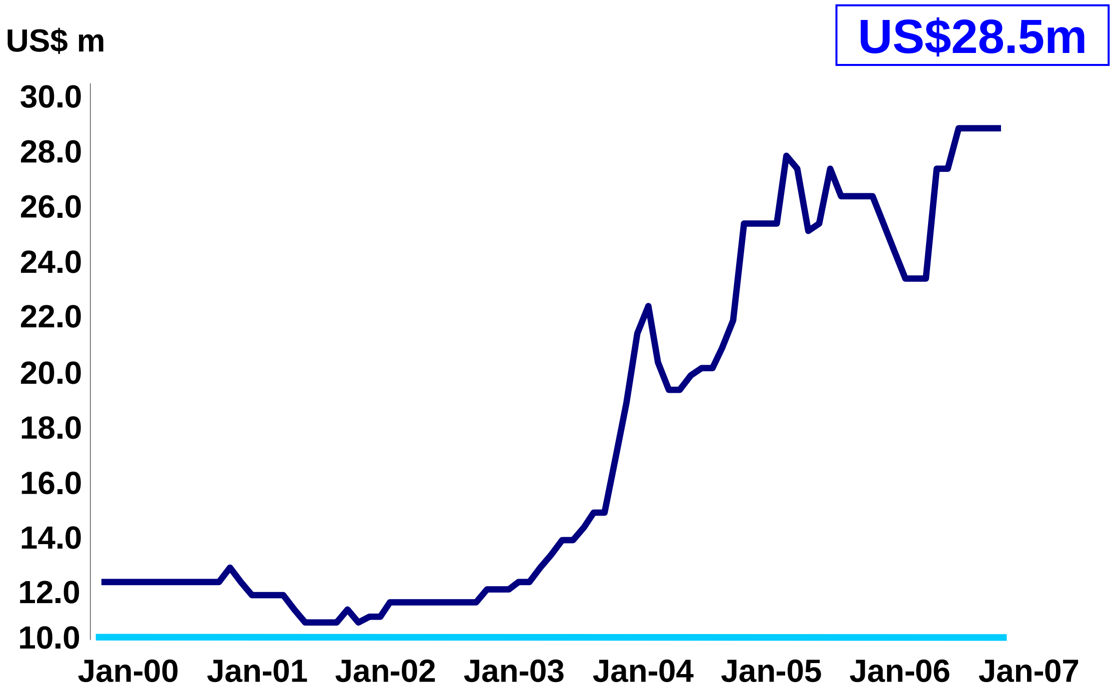

Source: Clarkson

Source: Clarkson

Dry Bulk Carrier Sale & Purchase Market

2nd-hand 5-year old,

Handysize (25-35K) vessel value



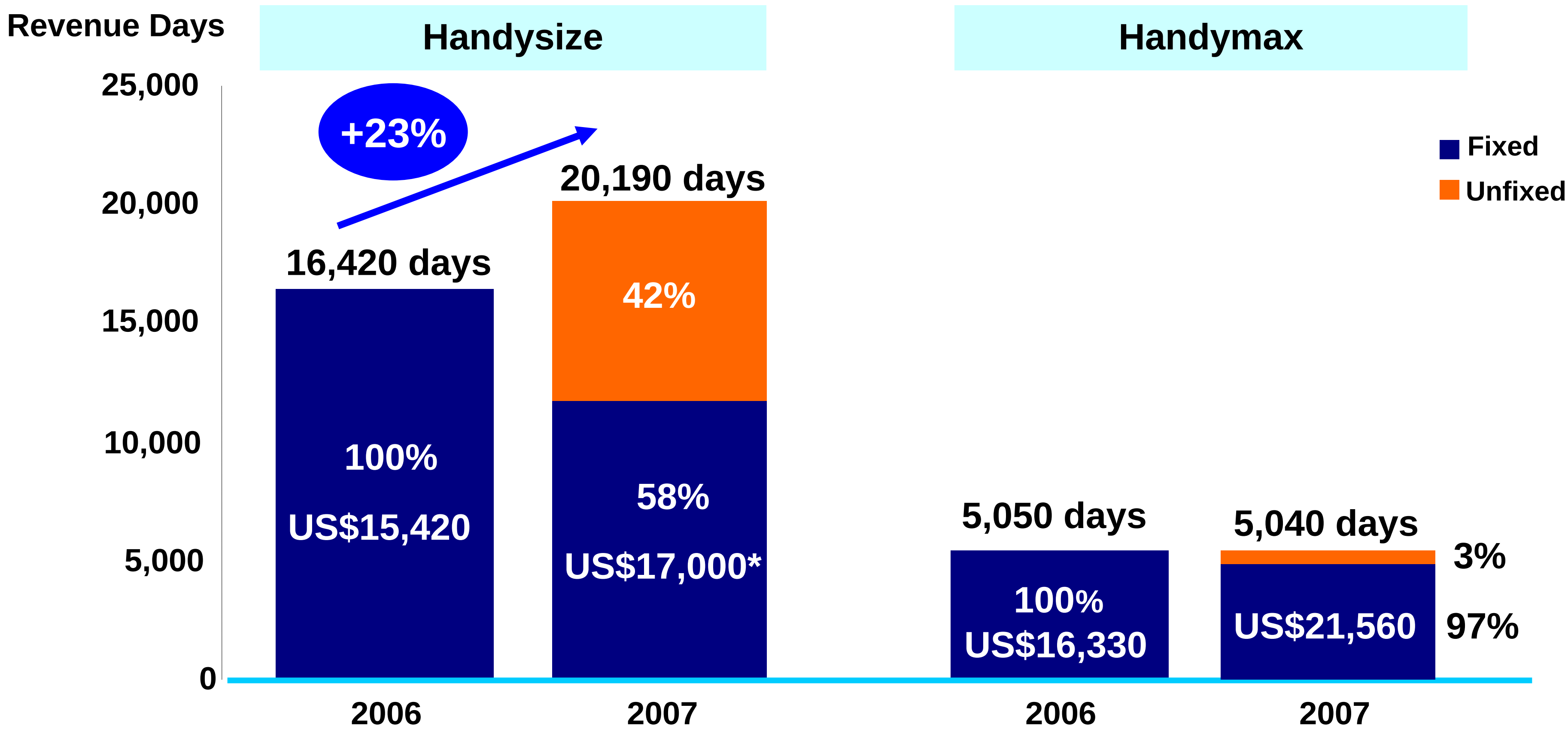
A 5-year second-hand Handysize vessel is now worth approx. US$31 million

Our asset value moves in line with rising market values

- **Owned**
- **Chartered with purchase options**
- **Newbuildings**

Source: Clarkson

Earnings Coverage



Handysize revenue days in 2008: 22,200 days, making satisfactory progress in securing cover

* Includes an approx. $1,000/day anticipated uplift from efficient voyage execution

Conclusion and Outlook

- 2006 proposed final dividend: HK22.5¢, 2006 payout: 71%
- 2007 Handysize revenue days grow by further 23% over 2006
- 2007 Handysize coverage of 58% at about US$17,000
- Historically high vessel prices up around 24% from 2006 lows*
- Low orderbook of 15% of the ageing fleet, with 4% delivery in 2007

- Strong outlook of freight market and commodities demand to fuel China and Asia's growth
- Continued cyclical upswing in the dry-bulk market

* Source: Clarkson

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.