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Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

Clarification announcement regarding press comment on its towage operations

This announcement is made pursuant to the Inside Information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The board of directors (the “Board”) of Pacific Basin Shipping Limited (the “Company”) has noted an article on 15 October 2013 which reported that the Company, through Citigroup, is exploring exit options for its Towage operations (“PB Towage business”).

The Board confirms that it has approved sounding out the market to establish if there is interest in a third party acquiring the PB Towage business as part of its responsibility to shareholders to maximise the value of the Company. However, the process is at a very preliminary stage and there is no certainty that the Company will proceed with any transaction. If any transaction proceeds, the Company will comply with its disclosure obligations and make further announcements as and when required in accordance with the Listing Rules.

The Company will announce its third quarter trading update on 18 October 2013 including comments on the current trading environment for the Group Companies.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company as these soundings may not lead to a binding agreement.

The Board confirms that, save as disclosed herein, it is not aware of any matter discloseable under the Listing Rules, which is or may be of a price-sensitive nature, or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

By Order of the Board
Pacific Basin Shipping Limited
Mok Kit Ting, Kitty
Company Secretary

Hong Kong, 15 October 2013

As at the date of this announcement, the directors of the Company are:

Executive Directors:

David Muir Turnbull, Mats Henrik Berglund, Jan Rindbo, Andrew Thomas Broomhead and Chanakya Kocherla

Independent non-executive Directors:

Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison and Daniel Rochfort Bradshaw