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Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

UPDATE ON THE PROPOSED ISSUE OF VESSEL CONSIDERATION SHARES FOR THE ACQUISITION OF FIVE MODERN DRY BULK VESSELS

Reference is made to the announcement of Pacific Basin Shipping Limited (the “**Company**”) dated 2 August 2017 in relation to the proposed acquisition of five modern dry bulk vessels and the proposed issue of Vessel Consideration Shares (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

The Board is pleased to announce that the condition of the Issue has been fulfilled. Accordingly, the Vessel Consideration Shares will be allotted and issued to Sellers A, B, C and D under the General Mandate on the delivery date of the respective vessels (or such other date as agreed by the Buyer and the relevant Sellers) pursuant to the respective ship contracts. Initially 55,990,216 Shares have been allotted and issued to Seller B earlier today upon delivery of the related supramax vessel to the Company.

The allotment and issue of the remaining Vessel Consideration Shares to Sellers A, C and D are expected to take place in accordance to the estimated delivery dates as disclosed in the Announcement.

The shareholding structure of the Company (i) immediately before the Issue to Seller B; (ii) immediately after the Issue to Seller B; and (iii) immediately after completion of the Issue to Sellers A, C and D (assuming that there will be no change in the issued share capital and the shareholding structure of the Company between the date of this announcement and completion of the Issue) is set out below:

	Immediately before the Issue to Seller B		Immediately after the Issue to Seller B		Immediately after Completion of Issue to Sellers A, C and D	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Substantial Shareholders						
Aggregate of Standard Life Aberdeen plc affiliated investment management	614,818,000	14.55	614,818,000	14.36	614,818,000	13.84
Public Shareholders						
Seller A	-	-	-	-	55,990,216	1.26
Seller B	-	-	55,990,216	1.31	55,990,216	1.26
Seller C	-	-	-	-	49,638,385	1.12
Seller D	-	-	-	-	55,284,457	1.24
Other public shareholders	3,610,549,828	85.45	3,610,549,828	84.33	3,610,549,828	81.28
Total:	<u>4,225,367,828</u>	<u>100.00</u>	<u>4,281,358,044</u>	<u>100.00</u>	<u>4,442,271,102</u>	<u>100.00</u>

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

Hong Kong, 22 August 2017

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

Executive Directors:
David Muir Turnbull and Mats Henrik Berglund

Independent non-executive Directors:
Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison, Daniel Rochfort Bradshaw, Irene Waage Basili and Stanley Hutter Ryan