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PB ISSUER (NO.2) LIMITED (the “Issuer”)
(incorporated in the British Virgin Islands with limited liability)

US\$230,000,000
1.75% Guaranteed Convertible Bonds due 2016
(the “Bonds”)
(Stock Code:4319)
convertible into ordinary shares of, and
unconditionally and irrevocably guaranteed by

 **Pacific Basin Shipping Limited**
(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

**NOTICE OF COMMENCEMENT OF THE EXERCISE PERIOD
OF THE PUT OPTION RIGHT**

Reference is made to the announcements of the Guarantor dated 4 March 2010 and 8 April 2010 and the circular of the Guarantor dated 12 March 2010. Unless otherwise defined here, terms used in this announcement shall have the same meaning given to such terms in the Guarantor’s announcement dated 4 March 2010.

Pursuant to Condition 8.4 of the terms and conditions of the Bonds, the Bondholders shall have the right to require the Issuer to redeem all or some of their Bonds at 100% of the principal amount thereof, together with accrued but unpaid interest, on 14 April 2014 (Monday) (the “Put Option Right”) (being the immediate business day following 12 April 2014 stated in Condition 8.4 of the terms and conditions of the Bonds as 12 April 2014 is not a business day in Hong Kong).

To exercise the Put Option Right, the holder of the relevant Bond must complete, sign and deposit a duly completed and signed notice together with the certificate evidencing the Bonds to be redeemed, at the specified office of the paying agent of the Bonds, being Hongkong and Shanghai Banking Corporation Limited (the “Paying Agent”) from 13 February 2014 to 15 March 2014 (both days inclusive).

Bondholders who would like to exercise the Put Option Right should refer to the terms and conditions of the Bonds and consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser as to the necessary action required for exercising the Put Option Right.

By order of the Board of
Pacific Basin Shipping Limited
MOK Kit Ting, Kitty
Company Secretary

Hong Kong, 23 January 2014

As at the date of this announcement, the Paying Agent is Hongkong and Shanghai Banking Corporation Limited (“HSBC”) at its specified office at Level 30, HSBC Main Building, 1 Queen’s Road Central, Hong Kong, appointed under the Paying and Conversion Agency Agreement dated 12 April 2010 entered into between the Issuer, the Guarantor and HSBC (in its capacity as paying agent, conversion agent, transfer agent, principal agent, registrar and trustee).

The Paying Agent has sent a notification to the Bondholders through the Euroclear and Clearstream systems and Bondholders should also refer to such notification for details of the Put Option Right.

As at the date of this announcement, the Directors of the Issuer are Mats Henrik Berglund, Andrew Thomas Broomhead, Mok Kit Ting Kitty and Kong Hoi Yan Karen.

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

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

Independent Non-executive Directors: Robert Charles Nicholson, Patrick Blackwell Paul, Alasdair George Morrison and Daniel Rochfort Bradshaw