Pacific Basin Shipping Limited

(*incorporated in Bermuda with limited liability*)
(Stock Code: 2343)

PROFIT WARNING

This announcement is made by Pacific Basin Shipping Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

The board of directors of Pacific Basin Shipping Limited (the "**Board**") held a scheduled meeting on 26 November 2015 and, among other matters, noted that the underlying results and EBITDA for the second half of 2015 are expected to be in line with the reported numbers for the first half of 2015. In addition, the Group anticipates that there will be no onerous contract provision or vessel impairment to be recorded in the Group's consolidated income statement for the full year.

It was further noted that the Group's first half 2015 results were positively impacted by the US$15.7 million one-off mark-to-market bunker derivative income and the US$3.7 million profit on the sale of its interest in the bunker tanker joint venture which contributed to a first half profit of US$5.8 million. Based on current bunker prices, the Board does not anticipate the same one-off positive effects in the second half of 2015 and, based on the limited uncovered vessel days in the remainder of the year, the Board anticipates a net loss attributable to shareholders in the range of US$5 million to US$20 million for the full year ending 31 December 2015 as compared to the US$285 million net loss recorded in the year ended 31 December 2014.

The full year results will depend on the market value of the bunker swap contracts at the year end. With all other variables held constant, if the average forward bunker rate in the bunker swap contracts increases/decreases by 10%, then the full-year mark-to-market movement would increase/decrease by approximately US$2.7 million. The Group continues to utilise bunker derivatives to hedge its fuel price exposure for future-dated fixed rate cargo contracts.

As the Company has not yet commenced the process of finalising the annual results for 2015, the above information is based on a preliminary assessment of information currently available to the Board, including the Group's internal records and unaudited consolidated management accounts for the 10 months ended 31 October 2015 which have not been reviewed or audited by the Company's auditors. The audited consolidated results of the Company for 2015 are expected to be announced on 29 February 2016.

Dry Bulk Update & Additional Vessel Purchase

Baltic Handysize Index rates increased in the third quarter (from a low base in the first half of 2015) and then weakened again in the fourth quarter. The impact of the weaker underlying spot market rates on our 2015 results is expected to be limited in view of the 93% employment cover that we had secured by the time of our Third Quarter 2015 Trading Update.

As commented in our Third Quarter 2015 Trading Update published in October, we continue to manage our business for a weak market in the medium term.

The value of a benchmark five-year old 32,000 dwt Handysize bulk carrier is estimated by Clarksons Platou to have weakened from about US$13 million in early October to about US$11.5 million in mid-November. Indicative newbuilding prices remain unchanged at about US$20.5 million.

We have previously stated that the market weakness may present acquisition opportunities at depressed prices which we would carefully consider, and our view on this remains unchanged. Consistent with this strategy, the Group has recently purchased an eight year old 32,000 dwt Japanese-built Handysize log/bulk carrier at a price that is expected to generate a positive cash contribution to the business once the ship commences commercial operation in our owned fleet in early 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 26 November, 2015

As at the date of this announcement, the Executive Directors of the Company are David Muir Turnbull, Mats Henrik Berglund, Andrew Thomas Broomhead and Chanakya Kocherla, and the Independent Non-executive Directors of the Company are Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison, Daniel Rochfort Bradshaw and Irene Waage Basili