

# Pacific Basin Shipping Limited

## Press Release

### **Pacific Basin Sells and Charters Back Two Handysize Vessels**

*Hong Kong, August 14, 2007* – Pacific Basin Shipping Limited (“Pacific Basin” or the “Company”; SEHK: 2343), one of the world’s leading dry bulk shipping companies, has agreed to sell two handysize ships, namely “Castle Peak” and “Lake Joy” for US\$31,600,000 and US\$30,400,000 respectively. The total consideration amounts to US\$62,000,000.

At the same time, the Company has agreed to time charter “Castle Peak” and “Lake Joy” back for three years. The charters will commence immediately after delivery of the ships to buyers, expected to be within October 2007.

“Castle Peak” is a 1997 built handysize dry bulk carrier of 28,545dwt, while “Lake Joy” is a 1996 built handysize dry bulk carrier of 28,251dwt. Sale of these two vessels will result in disposal gains of approximately US\$12,085,000 and US\$13,637,000 respectively, or US\$25,722,000 in total. These gains are expected to accrue to the Company in the financial year ending 31 December 2007. The simultaneous time charter back of the vessels will allow the Company to retain commercial control and the earnings of the vessels during their charters.

The proceeds from the sale of the two vessels will be used for general working capital and for funding investment projects that the Company may enter into when suitable opportunities arise.

Mr. Richard Hext, CEO of Pacific Basin said, “The sales and charter-back of these two vessels help generate cash for our Company, whilst maintaining a stable number of revenue days over the next three years. Our dividend policy remains to pay out at least 50% of the Company’s earnings each year, which will include earnings derived from the disposal gains of these two vessels.”

Following the completion and delivery of the above-mentioned two vessels, as well as “Port Pirie” and “Matariki Forest” pursuant to the sale and time charter back transactions announced on 21 May 2007 and 24 July 2007 respectively, Pacific Basin’s core fleet will comprise 83 handysize and handymax ships including 69 in operation and 14 newbuildings on order.

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## **About Pacific Basin**

Pacific Basin Shipping Limited is one of the world's leading commercial dry bulk shipping companies with an owned, chartered and managed fleet under the name of Pacific Basin ([www.pacbasin.com](http://www.pacbasin.com)) and International Handybulk Carriers ("IHC") ([www.handybulkpool.com](http://www.handybulkpool.com)). It commenced its handymax activity in December 2005 under the name of International Handymax Carriers ("IHX") ([www.handymaxpool.com](http://www.handymaxpool.com)).

The company specialises in shipping a broad range of dry bulk commodities which include forestry products, cement, minerals, grains and fertilisers and scrap steel from resource-rich regions such as Australia, New Zealand, West Coast North America and South East Asia to high commodity consumption countries such as Japan, China, and South Korea.

Pacific Basin has a global presence with its headquarters in Hong Kong and operating offices in London, Tokyo, Melbourne, Shanghai, Dalian, Beijing, Vancouver, Auckland, Dubai, Fujairah, Seoul and Singapore.

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