

Pacific Basin Shipping Limited

Press Release

Pacific Basin Proposes Issue of Guaranteed Convertible Bonds Due 2016

Hong Kong, March 4, 2010 – **Pacific Basin Shipping Limited** (“Pacific Basin” or “the Company”; SEHK: 2343), one of the world’s leading owners and operators of modern handysize and handymax dry bulk vessels, a provider of energy & infrastructure services as well as ro-ro vessels, announced that on 4 March 2010, it had entered into a conditional agreement to issue new Convertible Bonds. We highlight the following key points:

- Issue of 1.75% Convertible Bonds due 2016 for US\$230 million with a conversion premium of 27%.
- Proceeds will be used by the Company to purchase part of the existing 3.3% convertible bonds due 2013 in the market and then to redeem the remaining part of the existing convertible bonds upon the bondholders’ request on 1 February 2011 or at maturity in 2013.
- Shareholders approval will be needed through a specific mandate (Specific Mandate) at a Special General Meeting (SGM) to be held as soon as practical to approve the issue of the Convertible Bond and the associated shares.
- If the Specific Mandate is approved by the shareholders at the SGM, the company would not pursue a new general share issue mandate at the Company’s forthcoming annual general meeting (AGM) on 22 April 2010.

Mr. Klaus Nyborg, Chief Executive Officer of Pacific Basin said:

“This is an attractive opportunity for Pacific Basin to raise cash to purchase and/or later redeem our existing convertible bonds. This extends our relationship with convertible bond investors who are an important part of the Company’s long term funding strategy. If shareholders approve this mandate we will not seek a general share issue mandate at the AGM.

The current fundraising environment allows us to issue new Convertible Bonds with the following benefits:

- **Substantial interest cost savings** due to a coupon of 1.75% rather than the 3.3% coupon on our existing convertible bonds.
- **Attractive source of long-term financing** given limited traditional ship lending at the moment.”

For further details on the Convertible Bond’s terms and conditions please visit the Company’s website: www.pacificbasin.com where the full text of the announcement appears.

Goldman Sachs and HSBC acted as the joint bookrunners for the Convertible Bonds.

About Pacific Basin

Pacific Basin Shipping Limited (www.pacificbasin.com) is one of the world's leading owners and operators of modern handysize and handymax dry bulk vessels and a global provider of diversified shipping services. The Company is listed and headquartered in Hong Kong, and operates in three main maritime segments under the banners of Pacific Basin Dry Bulk, PB Energy & Infrastructure Services, and PB RoRo. Our fleet (including newbuildings on order) comprises 167 vessels directly servicing blue chip industrial customers. With over 1,700 seafarers and 350 shore-based staff in 20 offices in key locations around the world, Pacific Basin provides a comprehensive quality service to its customers.

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