

Pacific Basin Shipping Limited

Press Release

Pacific Basin Proposes Issue of Guaranteed Convertible Bonds Due 2013

Hong Kong, December 5, 2007 – **Pacific Basin Shipping Limited** (“Pacific Basin” or “the Company”; SEHK: 2343), one of the world’s leading dry bulk shipping companies, announced that on 3 December 2007 it entered into an agreement to issue convertible bonds to raise approximately US\$390,000,000 to fund its existing capital commitments and finance possible acquisitions.

Mr. Richard Hext, CEO of Pacific Basin said, “The dry bulk shipping market continues to be very strong with, consequently, a favourable reception from the investor community to the convertible bond issue which we announced on Monday. Today we have been able to increase the size of the convertible bond from US\$350 million to a total of US\$390 million, on the basis of a bond coupon of 3.3% and restricted conversion terms. Currently, these terms give bondholders the right to convert to equity at HK\$19.28 per share but, for most of the next three years, conversion can only be effected once the daily closing price of our shares has exceeded HK\$23.14 for five consecutive trading days. The proceeds of the bond will fund our existing committed capital expenditure and further development of our Company.”

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

Goldman Sachs (Asia) L.L.C. is the Lead Manager of the bonds issue.

####

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) and International Handybulk Carriers (“IHC”). It commenced its handymax activity in December 2005 under the name of International Handymax Carriers (“IHX”).

The Company specialises in shipping a broad range of dry bulk commodities which include forestry products, cement, minerals, iron ore, grains, 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 offices in Shanghai, Beijing, Dalian, Tokyo, Seoul, Singapore, Mumbai, Karachi, Dubai, Fujairah, London, Bad Essen, Houston, Vancouver, Auckland, Melbourne and Santiago.

-End-

For further information, please contact:

Pacific Basin Shipping Limited

Emily Lau

Tel: +852 2233 7054

Mobile: +852 9843 6557

E-mail: elau@pacbasin.com

Hill & Knowlton Asia Ltd

Sharis Siu

Tel: +852 2894 6322

Mobile: +852 9316 8576

E-mail: sharis.siu@hillandknowlton.com.hk

Ellen Chan

Tel: +852 2894 6213

Mobile: +852 6370 4060

E-mail: ellen.chan@hillandknowlton.com.hk