

New equity-based funding enables Pacific Basin to purchase five modern ships while enhancing balance sheet strength

Consideration comprises:

(a) New Pacific Basin shares to sellers	US\$46.1m
(b) Cash raised through a share placement	US\$38.0m
(c) Existing cash	US\$20.5m
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	US\$104.6m

The acquisition of the ships and the share placing are all conditional upon the HKSE's approval of the listing of the vessel consideration shares and the placing shares

Five Vessel Acquisitions

	Supramax 2014-built	Supramax 2014-built	Handysize 2014-built	Supramax 2016-built	Supramax Resale newbuild	Total
Shipbuilder	Tsuneishi	Tsuneishi	Imabari	Imabari	Tsuneishi	
Dwt	57,964	57,964	37,503	61,244	63,700	
Total consideration US\$m	17.0	17.0	21.1 *	23.5	26.0	104.6
Expected Delivery	Mid-Aug17 – end Sep17	Mid-Aug17 – end Sep17	Early Nov17 – end Dec17	Mid-Aug17 – end Sep17	Jan18	

* Including termination of existing long-term time charter in contract

New Shares Issue

	Vessel Consideration Shares (ships' sellers)	Placing Shares (Institutional Investors)	Total
Total New Shares issued	216,903,274 shares, HK\$1.66/share (equal to the average closing price 5 days before deal closure)	186,939,553 share, HK\$1.59/share (equal to approx. 4.22% discount to the average closing price 5 days before deal closure)	403,8425,827 shares, (equal to approx. 1.95% discount to the average closing price 5 days before deal closure)
Total Proceeds	US\$46.1m	US\$38.0m	US\$84.1m
% of issued share capital after allotment and issue of all the new shares	4.88%	4.21%	9.09%
Lock Up Period	3-6 months	-	-

Reasons For the Acquisitions and Placement

- Secure suitable quality ships
 - Attractive ship acquisition opportunities that can grow and renew our fleet with modern, efficient and best design ships
- Increasing our low proportion of owned Supramax ships at a time we think is attractive
- Replacing charter cost with significantly lower opex and depreciation
 - the Handysize vessel we acquired is currently chartered by us under a long-term time charter agreed in 2010 and delivered in 2014
 - The charter will be terminated upon its delivery
- Enhancing operating cash flow, EBITDA and balance sheet strength
- Equity financing provide greater flexibility to Company in future
 - Dry Bulk market recovering but supply & demand factors remain uncertain
 - Not adding interest costs or repayment obligation
- Reputable Japanese sellers believing in the longer term prospects for PB and its shareholder value