Pacific Basin

With you for the long haul

Pacific Logger departing Tauranga pass Mount Maunganui

18 June 2015
World’s Largest Handysize Bulker Owner/Operator

- Listed in Hong Kong
- Long term assets and newbuilding commitments of US$2 billion and book equity of US$1 billion
- Fully focused on Handysize & Handymax bulkers
- Global geographically
- Diversified cargo & 400 customers
- Substantially completed exit of non-core activities and significant growth of core Dry Bulk business

PB Dry Bulk Fleet Development
Average number of vessels operated

- Handysize
- Handymax
- Post-Panamax

2015: proportionally more owned ships:
- Better control & quality of service to customers
- Better control of costs – relying less on charter-in ships

As at 1 Mar 2015
# Understanding Our Core Market

<table>
<thead>
<tr>
<th>Bulk Carrier Ship Types</th>
<th>Percentage of Global Dry Bulk Capacity</th>
<th>Versatility</th>
<th>Main Commodities Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major bulks without cranes</td>
<td>Capesize 120,000+ dwt</td>
<td>40%</td>
<td>Major Bulks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Less Versatile</td>
<td>Iron ore, Coal, Grains</td>
</tr>
<tr>
<td>Minor bulks with cranes</td>
<td>Panamax &amp; Post-Panamax 65,000-120,000 dwt</td>
<td>28%</td>
<td>Minor Bulks</td>
</tr>
<tr>
<td></td>
<td>Handymax 40,000-65,000 dwt</td>
<td>22%</td>
<td>Logs &amp; Forest Products, Agriculture Products</td>
</tr>
<tr>
<td></td>
<td>Handysize 25,000-40,000 dwt</td>
<td>10%</td>
<td>Fertiliser, Cement &amp; Cement Clinker</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More Versatile</td>
<td>Beauxite, Alumina, Oras, Steel &amp; Scrap, Concentrates, Salt, Coal/Coke</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Minor Bulks</td>
</tr>
</tbody>
</table>

**Our Focus**

- Few ports, few customers, few cargo types, low scope for triangulation
- Many ports, many customers, many cargo types, high scope for triangulation

*With you for the long haul*
Strategic Model

OUR LARGE VERSITILE FLEET

Fleet scale and interchangeable high-quality dry bulk ships facilitate service flexibility to customers, optimised scheduling and maximised vessel utilisation.

In-house technical operations facilitate enhanced health & safety, quality and cost control, and enhanced service reliability and seamless, integrated service and support to customers.

OUR STRONG CORPORATE & FINANCIAL PROFILE

Striving for best-in-class internal and external reporting, transparency and corporate stewardship.

Robust balance sheet and strong track record sets us apart as a preferred counterparty.

Hong Kong listing & location facilitates good access to capital.

Responsible observance of stakeholder interests and our commitment to good corporate governance and CSR.

OUR MARKET LEADING CUSTOMER FOCUS & SERVICE

Priority to build and sustain long-term customer relationships.

Solution-driven approach ensures accessibility, responsiveness and flexibility towards customers.

Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit.

DEPTH OF STAFF & GLOBAL OFFICE NETWORK

Integrated international service enhanced by experienced commercial and technical staff around the world.

Being local facilitates clear understanding of and response to customers’ needs and first-rate personalised service.

Being global facilitates comprehensive market intelligence and cargo opportunities, and optimal trading and positioning of our fleet.
Experienced Management - Team

Chairman & BOD
Mats Berglund
3/29

CEO

Finance & Accounting, CFO
Andrew Broomhead
12/12

Company Secretary & Risk
Kitty Mok
19/19

Asset Management
Morten Ingebrigtsen
26/29

HR
P.B. Subbiah
12/21

Chartering
Pacific & Global
Handysize
Surinder Brrar
8/30

Chartering
Atlantic & Global
Handymax
Kristian Helt
13/15

Commercial Operation
Suresh Prabhakar
15/39

Technical & Crewing, CTO
Charlie Kocherta
15/37

Numbers Indicate Years in Company / Years in Shipping
Pacific Basin Cargo Volume
1 Jan – 25 Mar 2015

- Minerals
  - Salt: 3%
  - Sand & Gypsum: 4%
  - Soda Ash: 2%
- Metals
  - Alumina: 3%
  - Ores: 3%
  - Concentrates & Other Metals: 6%
- Energy
  - Coal: 7%
  - Petcoke: 5%
  - Wood Pellets: 2%
- Construction Materials
  - Logs & Forest Products: 12%
  - Steel & Scrap: 12%
  - Cement & Cement Clinkers: 11%
- Agricultural Products and Related
  - Grains & Agriculture Products: 20%
  - Fertiliser: 9%
  - Sugar: 2%

11.7 Million Tonnes

- Diverse range of commodities reduces product risk
- China and North America were our largest markets
- 60% of business in Pacific and 40% in Atlantic

More than 400 customers!
Everyone in Pacific Basin is a corporate ambassador – each of us embodies these values and creates excellence through dedication, continuous improvement and teamwork.

- We believe in the importance of human interaction and the personal touch.
- We are determined to find and deliver the right solutions to problems and challenges faced by our customers.
- We always look for ways to make it easier to do business with us.
- We strongly believe in the value of long term relationships over short term gain.
- We always honor our commitments.
- We take a considered approach to everything we do.
- We are a nimble and dynamic organisation with quick decision making at all levels.
- We operate with the highest standards of diligence and care as individuals and as a company.
Cargo System Business Model – Outperforming Market Rates

- Large fleet of high-quality substitutable ships
- Large portfolio of cargo contracts & relationships – No outward time-charters
- Direct end-user interaction
- Experienced staff & global office network
- High laden percentage
- Average premium last 5 years = US$2,390/day

Outperforming Market Rates with US$2,390/day last 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>BHSI - net rate</th>
<th>PB Handysize Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$16,750</td>
<td>$5,070</td>
</tr>
<tr>
<td>2011</td>
<td>$13,530</td>
<td>$8,100</td>
</tr>
<tr>
<td>2012</td>
<td>$10,460</td>
<td>$9,340</td>
</tr>
<tr>
<td>2013</td>
<td>$9,520</td>
<td>$9,340</td>
</tr>
<tr>
<td>2014</td>
<td>$9,340</td>
<td>$9,340</td>
</tr>
<tr>
<td>2015</td>
<td>$8,100</td>
<td>$9,340</td>
</tr>
</tbody>
</table>

Q1
2015 First Quarter Trading Update

- Much improved performance vs Market – Especially Handymax

<table>
<thead>
<tr>
<th>US$</th>
<th>Actual TCE/day</th>
<th>Index Rate</th>
<th>Premium</th>
<th>Daily Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handymax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q15</td>
<td>9,800</td>
<td>6,100</td>
<td>+3,700</td>
<td>+4,100/day</td>
</tr>
<tr>
<td>1Q14</td>
<td>10,700</td>
<td>11,100</td>
<td>-400</td>
<td></td>
</tr>
<tr>
<td>Handysize</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<tr>
<td>1Q14</td>
<td>10,400</td>
<td>9,500</td>
<td>+900</td>
<td></td>
</tr>
</tbody>
</table>

- Handymax strategy concentrated to Atlantic trade and steel parcel operating activity
- G&A reduced to US$14 million 1Q15 (1Q14: US$19 million)
- Remaining Towage marginally profitable
- New US$125 million Convertible Bond successfully issued
Handysize Benefits

- A segment in which scale & operations make a difference
- Holds up better in weak market
- Driven by minor bulk demand
- Older age profile – higher scrapping
- Modest Handysize fleet growth

Source: Clarksons, 1 Jun 2015

Global Bulk Carrier Fleet Growth

Yr 2004 = 100

- Capesize: 216%
- Handymax: 182%
- Panamax: 142%
- Handysize: 25%

Source: Clarksons, 1 Jun 2015
High Quality Japanese Ships

- Well designed secondhand Japanese ships remain very competitive – especially at slow speeds
- Our newbuildings are primarily Japanese 38,000dwt vessels not available in secondhand market
- All ships designed & equipped to fit our trades long term
- Japanese ships = Superior reliability, longevity, fuel efficiency, and second hand value

Handysize Vessel Values

PB started buying secondhand ships

PB ordered newbuildings

12 Jun 2015:
Newbuilding (35,000 dwt):
US$21.3m

5 years (32,000 dwt):
US$13.0m

Source: Clarksons
Investing in Our Core Business

- Owned fleet of bulkers grow from 37 to 80 to 98
- Balance sheet remains robust with net gearing of 40% and cash of US$363 mil by the end of 2014
- 18 newbuildings will deliver 2015-2017, remaining commitments of 384 million financed with US$350 million of Japanese export credit
- 2014 underlining loss of US$(55.5) million of which US$(30) million from Dry Bulk
- 2014 EBITDA of US$82.2 million, US$94 million from Dry Bulk
Dry Bulk Market Situation

The Market is Weak

BSI and BHSI

But Fleet Growth is Reducing

Total Drybulk Year-on-Year Net Fleet Growth (%)

Lowest fleet growth since Feb 2004

Optimism 2H13 Turned into Pessimism 2H14

Handysize Secondhand Values

New Vessel Ordering is Down

Per quarter annualised in %

Source: Clarksons, Baltic Exchange

With you for the long haul
Dry Bulk Self-Correcting Factors

**Increased Scrapping**

Strong market = low scrapping

Weak market = high scrapping

**The Chinese Yard Sector is Shrinking**

Net BC Fleet Change Development
Mill dwt

Due to much increased scrapping, the fleet has not grown since end January but the lowest hanging fruit (older vessels) has been picked so we should expect some net fleet supply growth in 2015 say 3.0 - 3.5%

Last year this was 5.1%

Source: Clarksons
Main Reasons for the weak market:

- Remaining overcapacity from 2010-2012
- Lower imports of coal to China affecting the overall Dry Bulk market negatively
- Lower Bauxite & Nickel shipments due to Indonesian export ban

Source: R.S. Platou, Bloomberg
Capital & Management Now Fully Focused on Our World Leading Handy Dry Bulk Business

Start 2012
Four business units
US$1.6 billion of long term assets

2015
Fully Dry Bulk Focused
US$2 billion of long term assets
Including NB commitments

Minor player
No competitive advantage

Strong platform but only about 25% of fleet owned

G&A: 77 million

World's largest Handysize owner & operator
40-50% of fleet owned

G&A: 57 million
Pacific Basin Benefits

- Fully focused on core world leading Handy Dry Bulk business – Now well structured & out of non core
- Business model consistently delivering premium over market rates
- Large quality fleet of predominantly Japanese built ships
- Depth & experience of staff & offices throughout the world
- Large portfolio of customer contracts & relationships
- Hong Kong listing, good governance, access to capital

Well Positioned in a cyclical business
Disclaimer

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.

Our Communication Channels:

- **Financial Reporting**
  - Annual & Interim Reports
  - Voluntary quarterly trading updates
  - Press releases on business activities

- **Shareholder Meetings and Hotlines**
  - Analysts Day & IR Perception Study
  - Sell-side conferences
  - Investor/analyst calls and enquiries

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  - Fleet Profile and Download
  - Investor Relations:
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