Pacific Basin

27 Nov 2015

26 Nov Announcement

US$m	1H2015	2H2015 Guidance	Full Year 2015 Guidance
EBITDA	+42	in line with 1H	
Underlying Result	-15		
MTM Bunker Hedges	+17	similar one-offs unlikely at current bunker prices	
Capital Gain	+4		
Net Result	+6		Net loss 5-20

- No onerous contract provision or vessel impairment anticipated
- Continue to manage for a weak market in medium term
- Weak market may present opportunities that we will carefully consider
- Purchased one eight year old 32,000 dwt Japanese Handysize logger
- 5 years old 32,000 dwt Handysize estimated by Clarkson Platou at US$11.5m

Cargo System Business Model – Outperforming Market Rates

Cargo Contract Business Model – Outperforming Market Indices

- Experienced staff & global office network
- Large fleet of high-quality substitutable ships
- Large portfolio of cargo contracts & relationships
  → Direct end-user interaction
- High laden percentage (minimum ballast legs)
- Minor bulk as opposed to major bulk exposure

➔ Average premium last 5 years = US$2,380/day

Focused in Segmnet –
Diversified Cargo and Customers

Our Dry Bulk Cargo Volume in 3Q15

Minerals

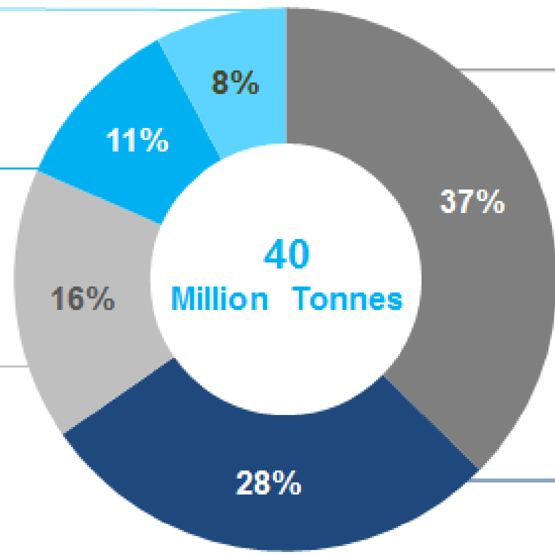
Sand & Gypsum	3%
Salt	3%
Soda Ash	2%

Energy

Coal	5%
Petcoke	4%
Wood Pellets	2%

Metals

Concentrates & Other Metals	7%
Alumina	4%
Ores	5%



Construction Materials

Logs & Forest Products	14%
Steel & Scrap	13%
Cement & Cement Clinkers	10%

Agricultural Products and Related

Grains & Agriculture Products	16%
Fertiliser	10%
Sugar	2%

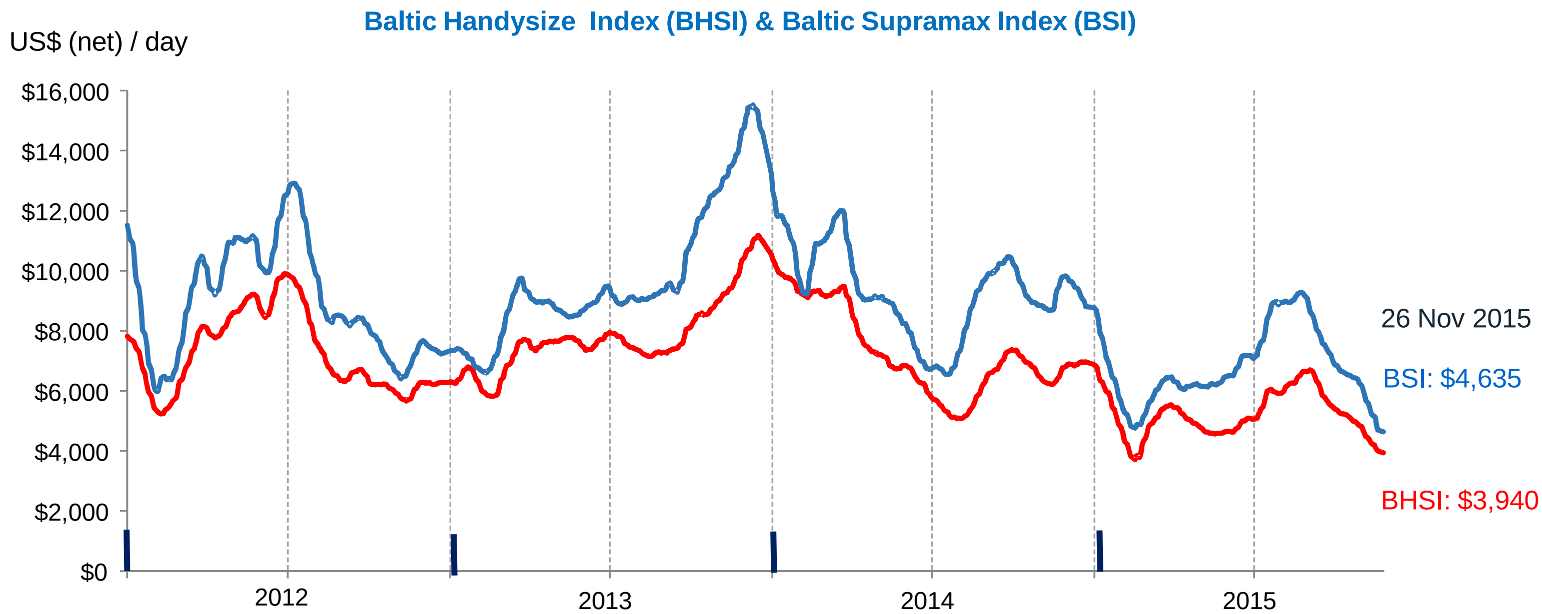
- Diverse range of commodities reduces product risk
- China and North America were our largest market
- 60% of business in Pacific and 40% in Atlantic

More than 400 customers!

Data as at 24 Sep 2015

Pacific Basin

Dry Bulk Spot Market at 30 Year Lows

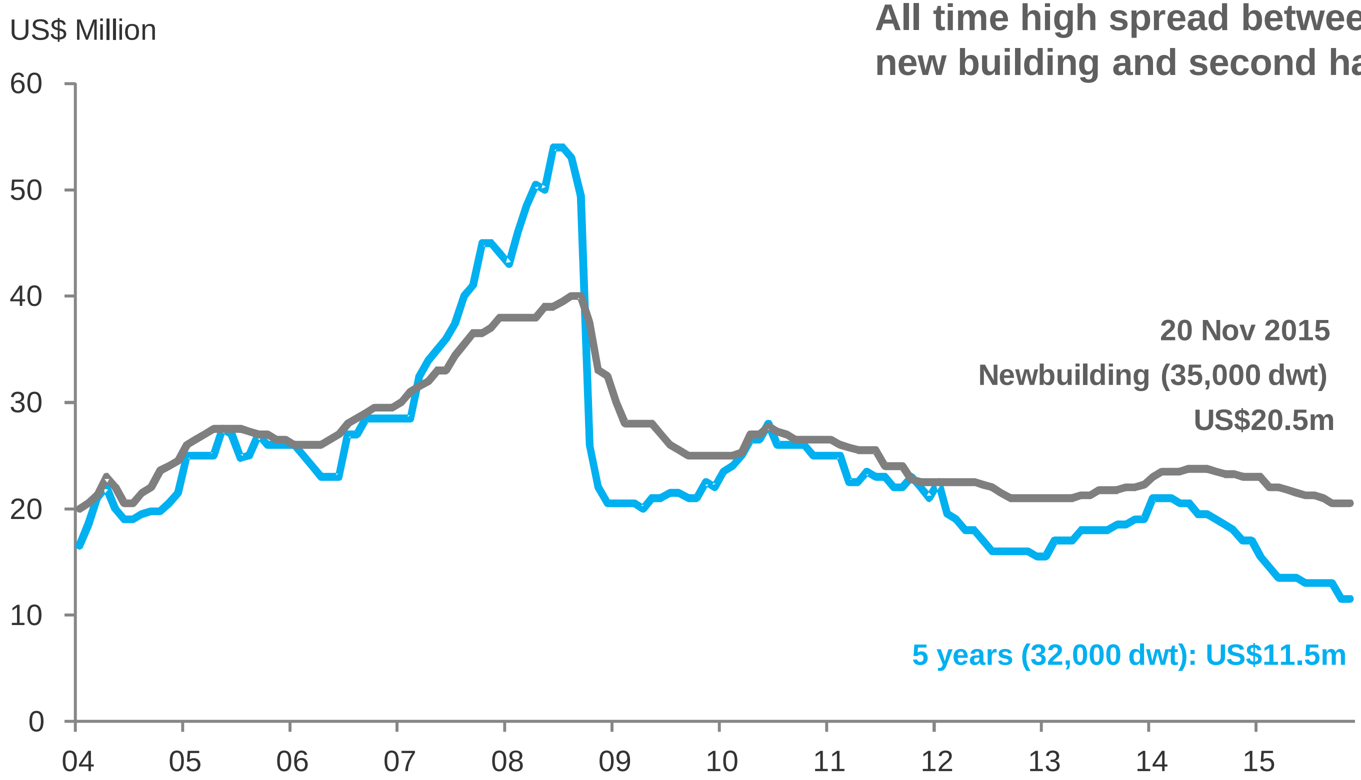


- 3Q improvement largely driven by healthier conditions in Atlantic on strong S. American agricultural exports
- Weak demand growth in Pacific largely due to slowdown in Chinese coal imports
- Rates reducing since early September partly due to higher vessel speeds
- Weak rates so far in 4Q

Source: Baltic Exchange
** Net rates are net of 5% commission*

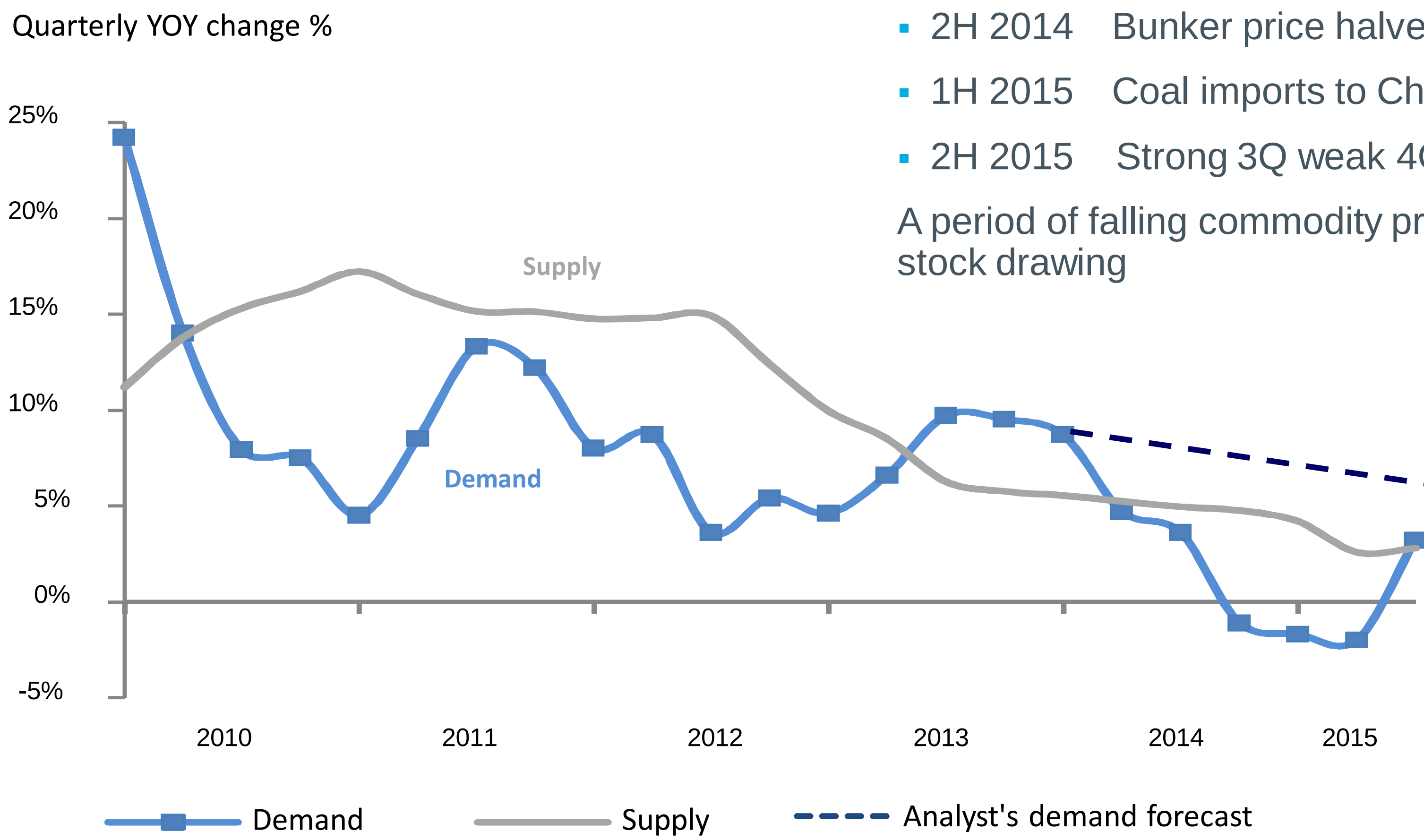
Handysize Vessel Values

All time high spread between new building and second hand values



Source: Clarksons Platou

Dry Bulk Supply & Demand

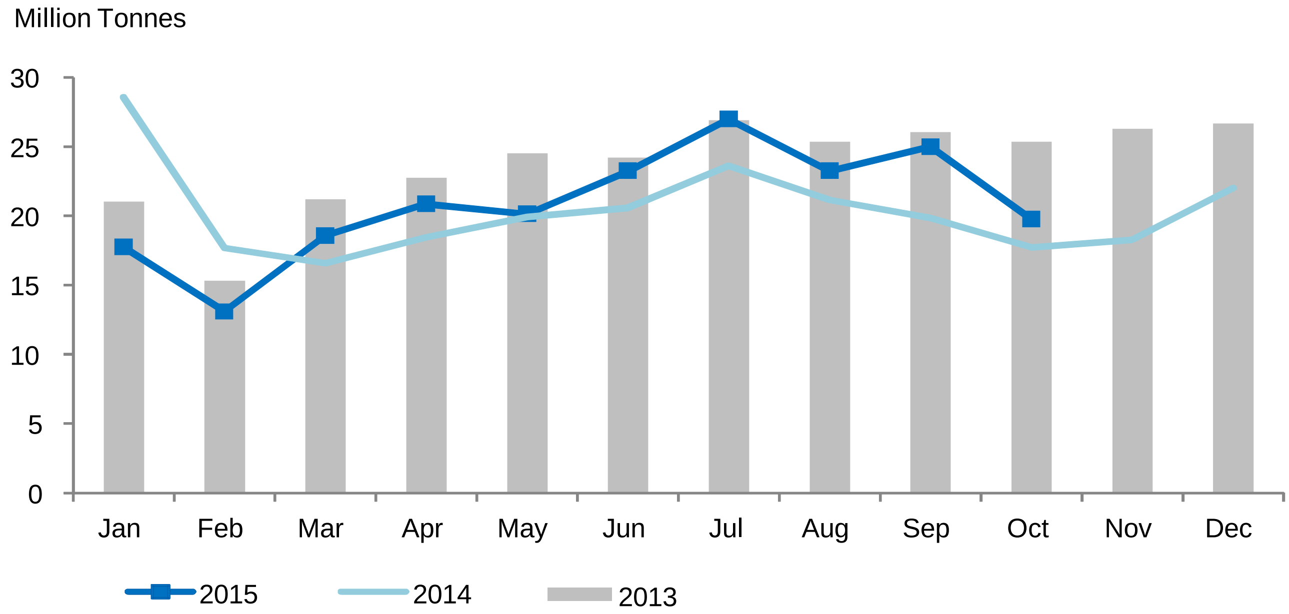


- 1H 2014 Indonesian Export ban
- 2H 2014 Bunker price halved
- 1H 2015 Coal imports to China -38%
- 2H 2015 Strong 3Q weak 4Q

A period of falling commodity prices and stock drawing

Source: Clarksons Platou

Chinese Minor Bulk Imports – Growing Since March



Chinese imports of 7 minor bulks including Logs, Soyabean, Fertiliser, Bauxite, Nickel, Copper Concentrates & Manganese Ore

These 7 commodities make up over one third of the cargo volumes we carry

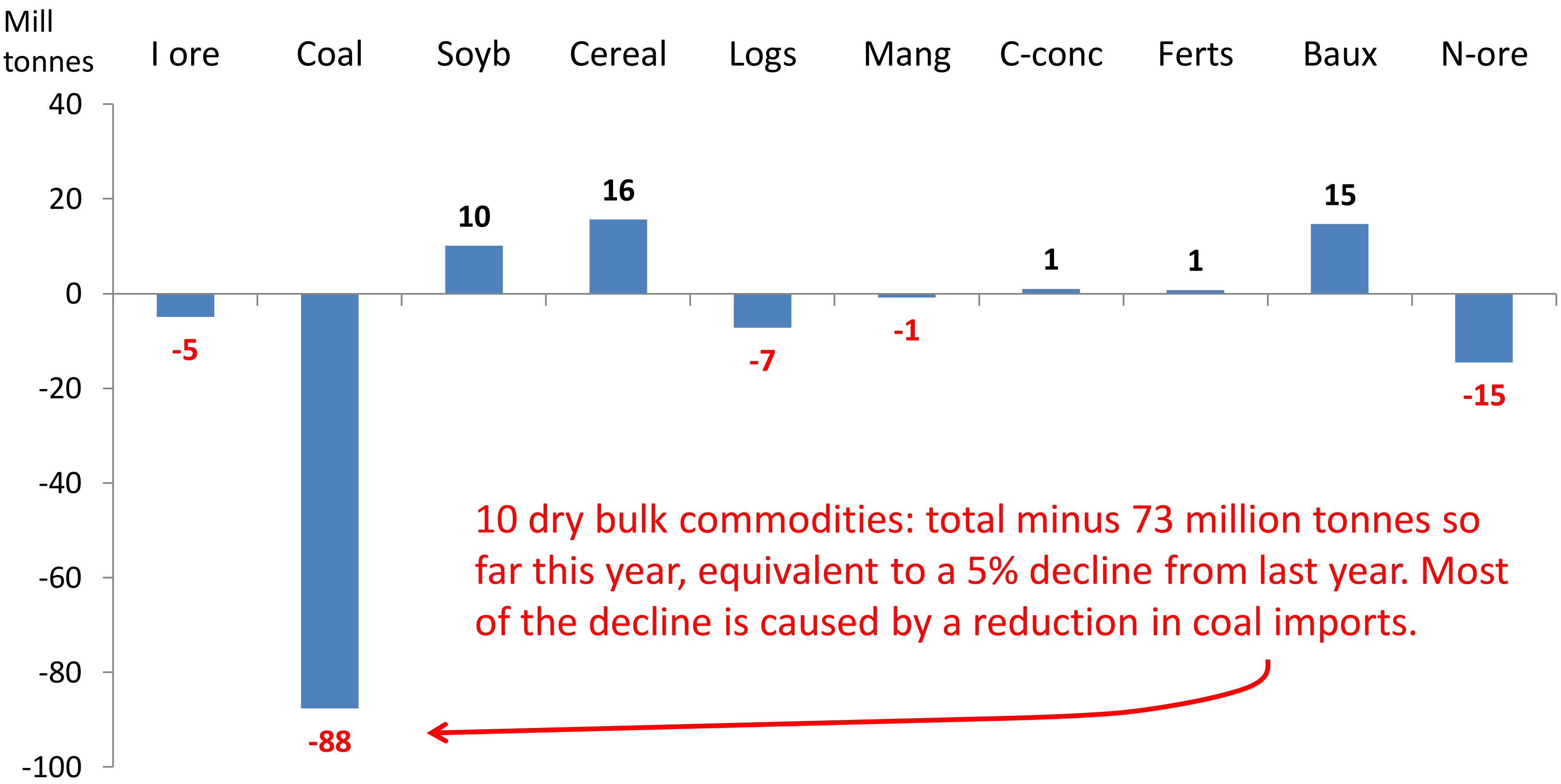
- YTD Chinese imports of minor bulks down 2% yoy but growing since March to lend some support to demand for Handysize and Handymax ships
  - Chinese imports of Bauxite increased YOY and soybeans and cereal grains are up substantially;
  - Chinese steel exports also increased

Source: Bloomberg

Coal Imports to China Reducing

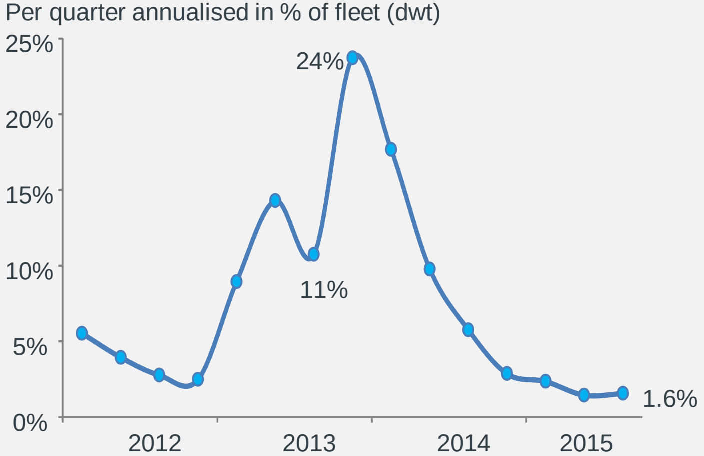
Year-on-year change in Chinese imports of dry bulk commodities so far in 2015

Annualised million tonnes

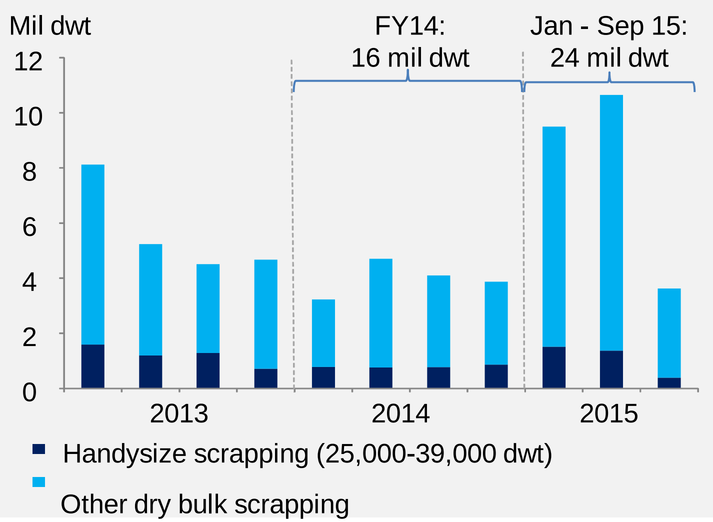


Dry Bulk Supply – Self Correcting Factors

New Vessel Ordering is Down



Increased Scrapping

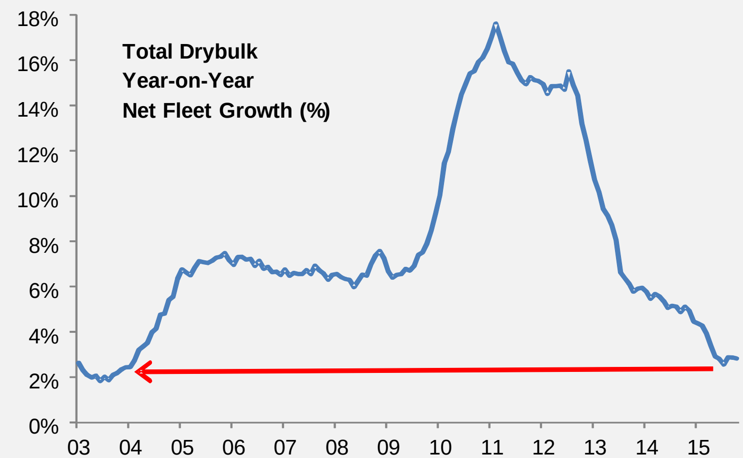


Number of Chinese yards delivering Handy bulk vessels decreased from 54 in 2012 to 21 in 2015

Delivery Slippage

Orderbook Cancellations & Conversions

Fleet Growth is Reducing



- **Expecting net fleet growth for 2015 of about 2.5%**

Source: Clarksons Platou

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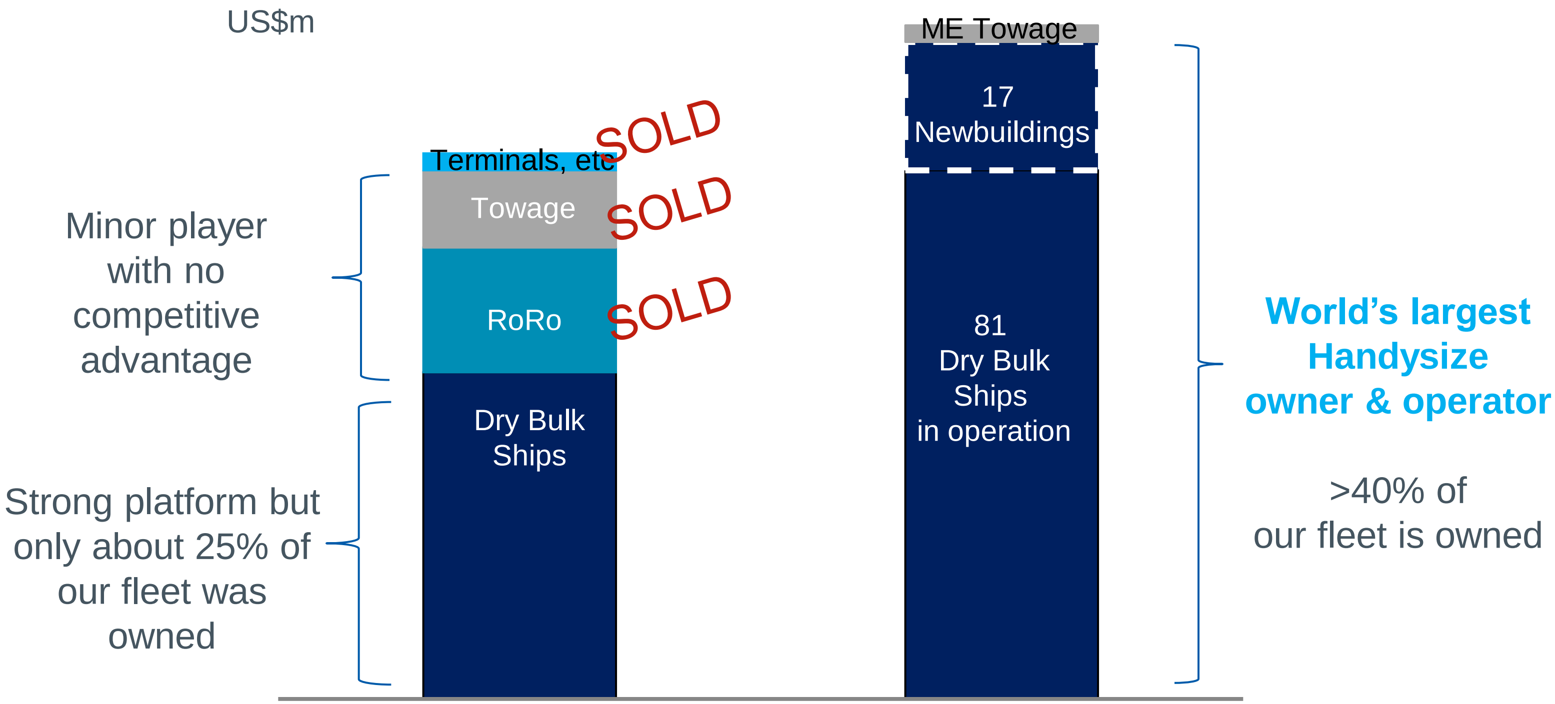
As in Interim Results

Our Increased Focus on Dry Bulk

Early 2012	2015
Four business units	Fully dry bulk focused



US$1.6 billion of long-term assets	US$2 billion of long-term assets including newbuildings
G&A: US$77million	G&A: US$57million

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As in Interim Results

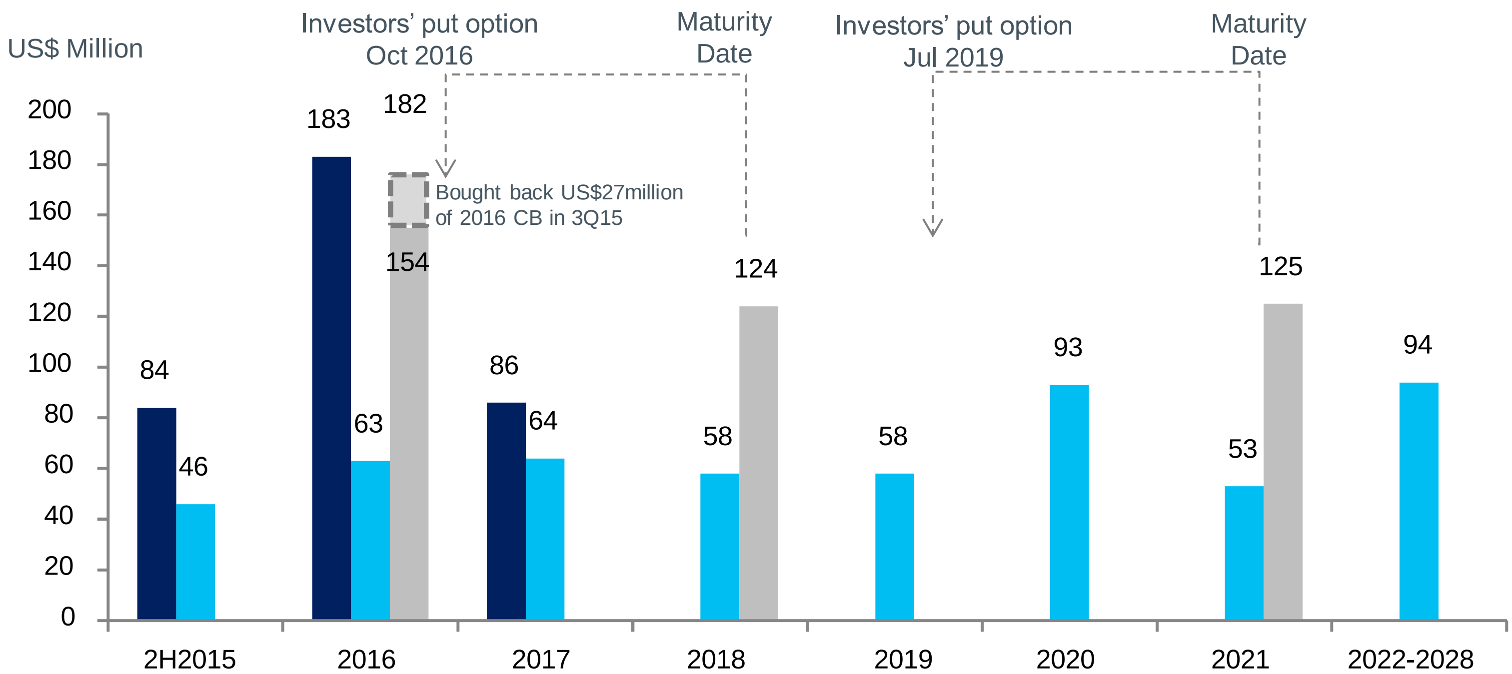
1H15 Balance Sheet

US$m	30 Jun 15	31 Dec 14
Vessels & other fixed assets	**1,578**	1,585
Total assets	**2,194**	2,308
Total borrowings	**930**	1,000
Total liabilities	**1,199**	1,306
Net assets	**995**	1,002
Net borrowings (total cash US$392m)	**538**	636
Net borrowings to net book value of property, plant and equipment KPI	**34%**	40%

- Vessel average net book value: Handysize $15.7m, 9.5 years
  Handymax $23.3m, 6.4 years
- KPI: net gearing below 50%
- US$353m of newbuildings commitments
- US$154m CB maturity Apr 2016 and US$125m of 2018 CB can be put in Oct 2016
- Almost US$500m of committed but undrawn financial facilities

Borrowings and Capex

As at 30 June 2015
(2016 CB updated as at 1 Oct 2015)



Vessel capital commitments (US$353 million)

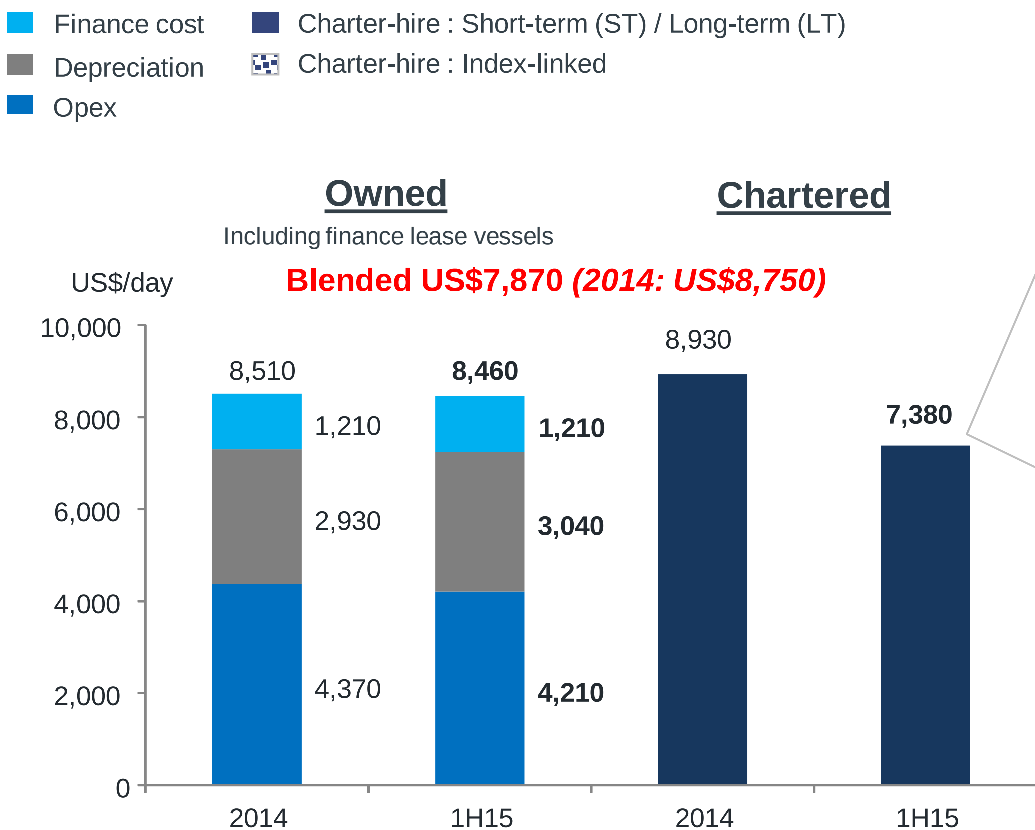
Bank borrowings (US$513 million) & finance lease liabilities (US$16 million due 2H 2015) – undrawn committed bank facilities US$498m

Convertible bonds, face value US$404 million, book value US$375 million
(as at 1 Oct 2015 after we bought back and cancelled 2016 CB with face value of US$27.4 million in 3Q)

As in Interim Results

1H15 Daily Vessel Costs – Handysize

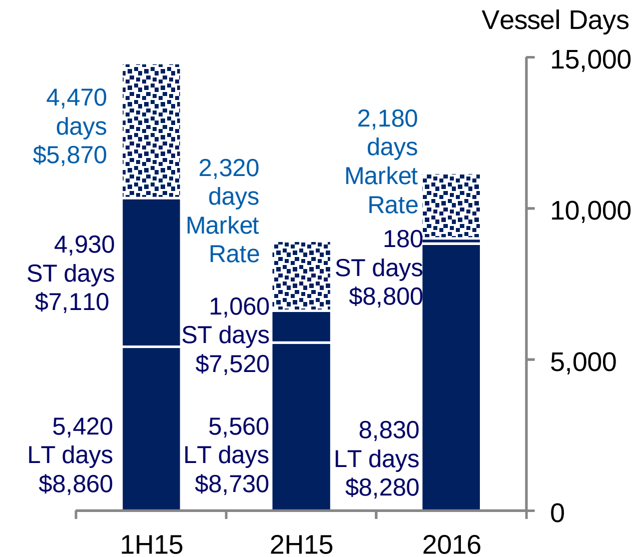
As at 30 June 2015



	Owned 2014	Owned 1H15	Chartered 2014	Chartered 1H15
Vessel Days	23,880	**12,130**	32,850	**14,820**
	42%	**45%**	58%	**55%**

Inward Charter Commitments

Days & rates
2015-2016



1H15	2H15	2016
14,820	8,940	11,190

- Direct overheads of US$660/day
- Note that cost of index linked vessels going up with rates in 3Q

** Chartered rates are shown net of provision*

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Dry Bulk Market and Strategy

Dry Bulk Market

- Uncertain market situation - Oversupplied global fleet and reduced growth in dry bulk commodity demand – especially coal into China
- Scrapping, NB cancellations & postponements and very little new ordering are helping to mitigate supply growth
- Minor bulks looks better than iron ore & coal

Strategy

- Fully focused on our world-leading Handy dry bulk business, now well structured and out of non-core
- Reduce costs, optimise our teams and fleet and cargo combinations
- Redelivering expiring and long-term chartered-in ships
- Relying more on owned ships, complemented by shorter-term and index-linked chartered ships
- Managing our business for a continued weak market in the medium term, focused on safeguarding our positive EBITDA generation and cash position

Pacific Basin Benefits:

Now fully Handy focused

+

Business Model → Premium

+

High-quality predominately Japanese-built fleet

+

Experienced staff, globally

+

Access to Capital

→Well positioned

Pacific Basin

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 (PDF & Online) & 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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Tel : +852 2233 7000

- **Company Website - www.pacificbasin.com**
  - Corporate Information
  - CG, Risk Management and CSR
  - Fleet Profile and Download
  - Investor Relations:
  - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary
- **Social Media Communications**
  - Follow us on Facebook, Twitter, Linkedin and WeChat!

Appendix: Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Handymax dry bulk ships
- Cargo system business model – outperforming market rates
- About 200 dry bulk ships on the water serving major industrial customers around the world
- Also owning/operating offshore tugs and barges in the Middle East
- Hong Kong headquarters, 12 offices worldwide, 340 shore-based staff, 3,000 seafarers*
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders

www.pacificbasin.com
Pacific Basin business principles and our Corporate Video

* As at Jul 2015

Appendix: 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

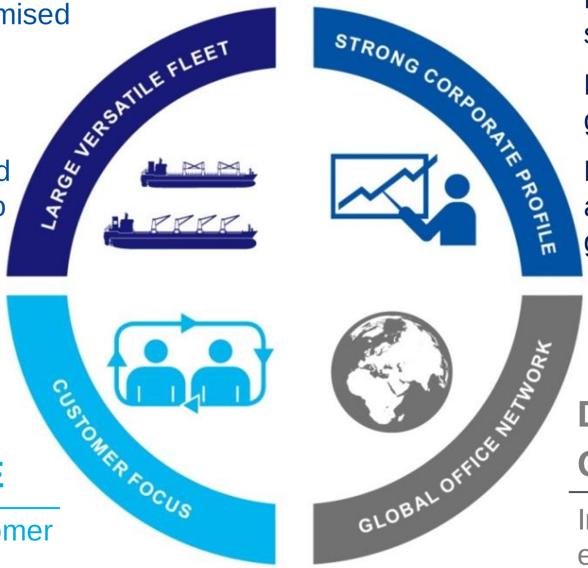
OUR STRONG CORPORATE & FINANCIAL PROFILE

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

Appendix: 2015 Third Quarter Highlights

Pacific Basin Dry Bulk

- Our business model enabled us to outperform spot market in 3Q:

Average Daily Earnings	Q3 US$/day	Q3 Outperformance	YTD US$/day
Handysize TCE	$8,350	+39%	$8,070
Handymax TCE	$9,630	+15%	$9,460

- 3Q was highest quarter YTD but market rates have been weakening since early Sep
- Cost reduction program on track
- Currently operate 215 dry bulk ships (83 owned)
- Managing our business for a continued weak market in the medium term, focused on safeguarding our positive EBITDA generation and cash position

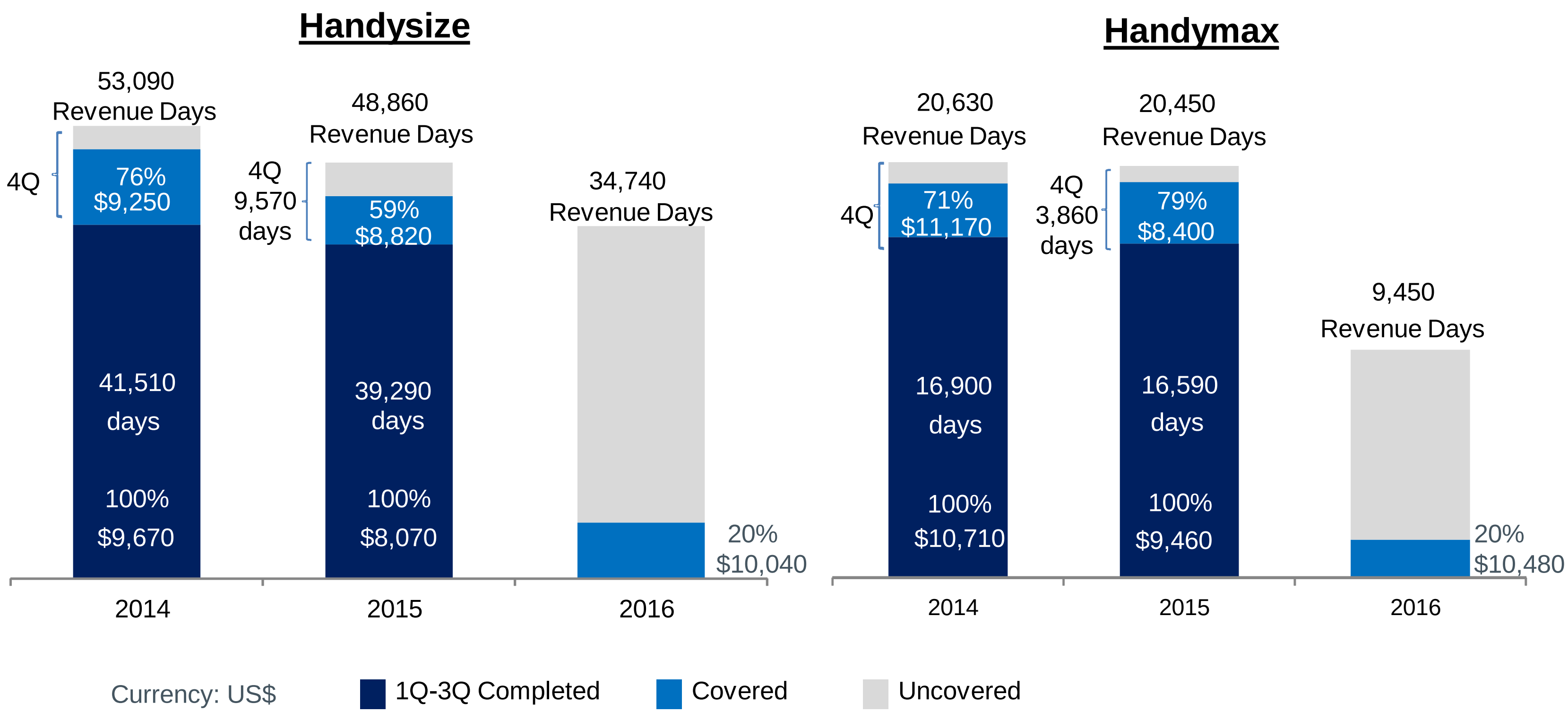
PB Towage & RoRo

- Consolidated towage results remain marginally profitable YTD
- Our RoRo exit is complete after our final RoRo vessel delivered to Grimaldi in August generating cash proceeds of around US$31m

Finance

- We bought back and cancelled 2016 convertible bonds of US$27.4m in 3Q15 (YTD total US$55.2m)

Appendix: Earnings Cover



Comparative data shows cargo cover secured as at 30 Sep 2015 vs 10 Oct 2014
Uncovered days excludes revenue days related to inward chartered vessels on index-linked rates

- About same % cover as last year but at lower rates/day

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Appendix: Fleet List – 30 September 2015

www.pacificbasin.com
Fleet Details

	Vessels in operation			Newbuildings on order			Total
	Owned	Chartered	Total	Owned	Chartered	Total	
Dry Bulk Fleet							
Handysize	66	72	138	10	6	16	154
Handymax	16	59	75	5	1	6	81
Post-Panamax	1	1	2	-	-	-	2
Total Dry Bulk Vessels	**83**	**132**	**215***	**15**	**7**	**22**	**237**
Towage							
Tugs	13	1	14	-	-	-	14
Barges	6	-	6	-	-	-	6
Other PB Towage Vessels	-	1	1	-	-	-	1
Total Towage Vessels	**19**	**2**	**21**	**-**	**-**	**-**	**21**
Grand Total	**102**	**134**	**236**	**15**	**7**	**22**	**258**

* Dry bulk fleet in operation defined as: number of owned ships at 30 September + average number of chartered ships in full month of September

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Appendix: Experienced Management - Team

Numbers Indicate Years in Company / Years in Shipping

Chairman & BOD

CEO
Mats Berglund
3/29

Asset Management
Morten Ingebrigtsen
26/29

HR
P.B. Subbiah
12/21

Finance & Accounting, CFO
Andrew Broomhead
12/12

Company Secretary & Risk
Kitty Mok
19/19

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

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Appendix: Sustainability

- **Applying sustainable thinking in our decisions and the way we run our business**
- **Creating long-term value through good corporate governance and CSR**

Corporate Social Responsibility (CSR)

- Guided by strategic objectives on (i) workplace practices (primarily safety), (ii) the environment, and (iii) our communities (where our ships trade and our people live and work)
- Active approach to CSR, with KPIs to measure effectiveness
- Reporting follows SEHK's ESG Reporting Guide
- Disclosure also through CDP, HKQAA, CFR for HK-listed companies

www.pacificbasin.com
CSR report

Corporate Governance & Risk Management

- Adopted recommended best practices under SEHK's CG Code (with quarterly trading update)
- Closely integrated Group strategy and risk management
- Transparency priority
- Stakeholder engagement includes in-depth customer and investor surveys
- Risk management committee interaction with management and business units
- Integrated Reporting following International <IR> Framework of IIRC

www.pacificbasin.com
Corporate Governance

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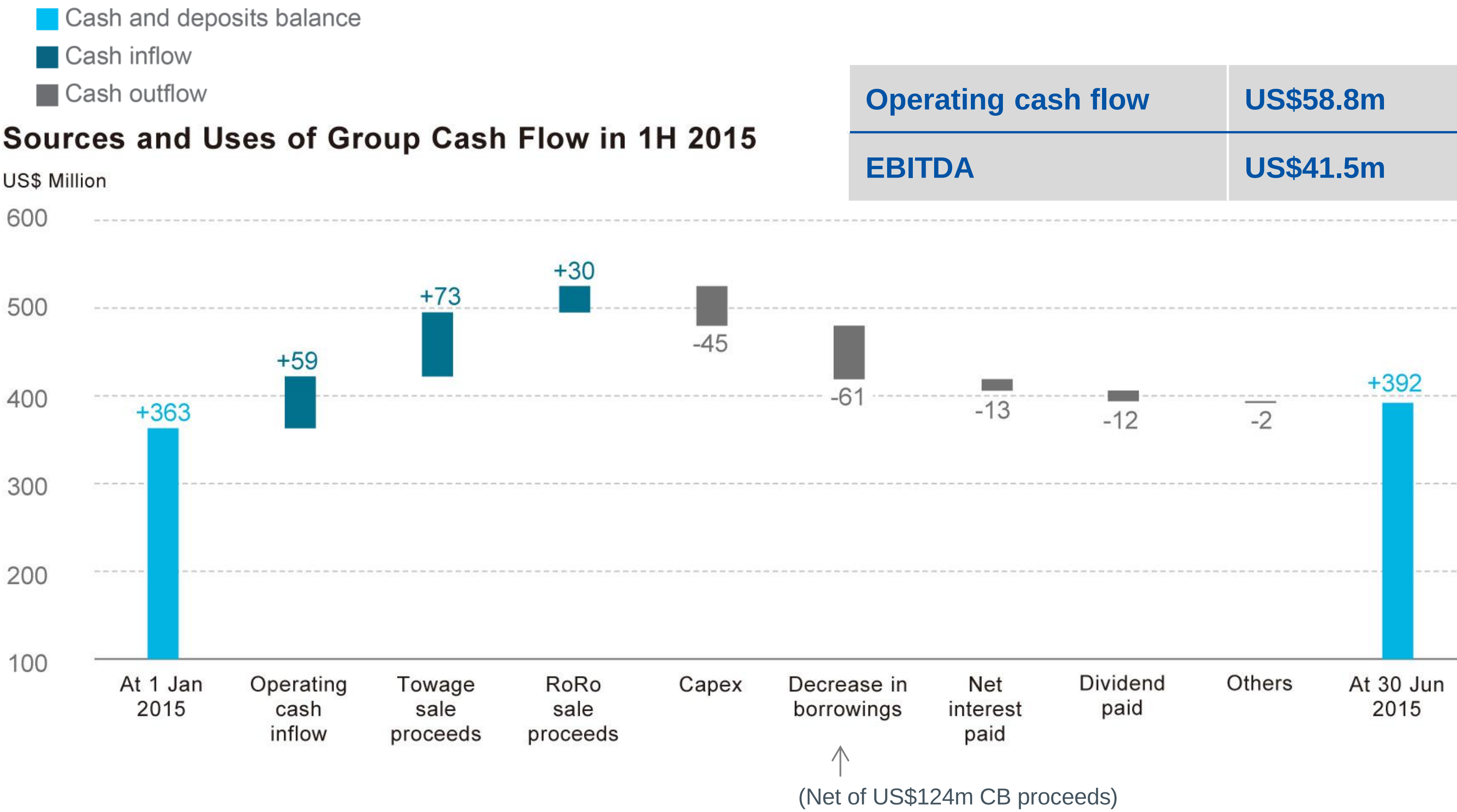
Appendix: Cash Flow

As in Interim Results

As at 30 June 2015

Operating cash flow	US$58.8m
EBITDA	US$41.5m

Sources and Uses of Group Cash Flow in 1H 2015



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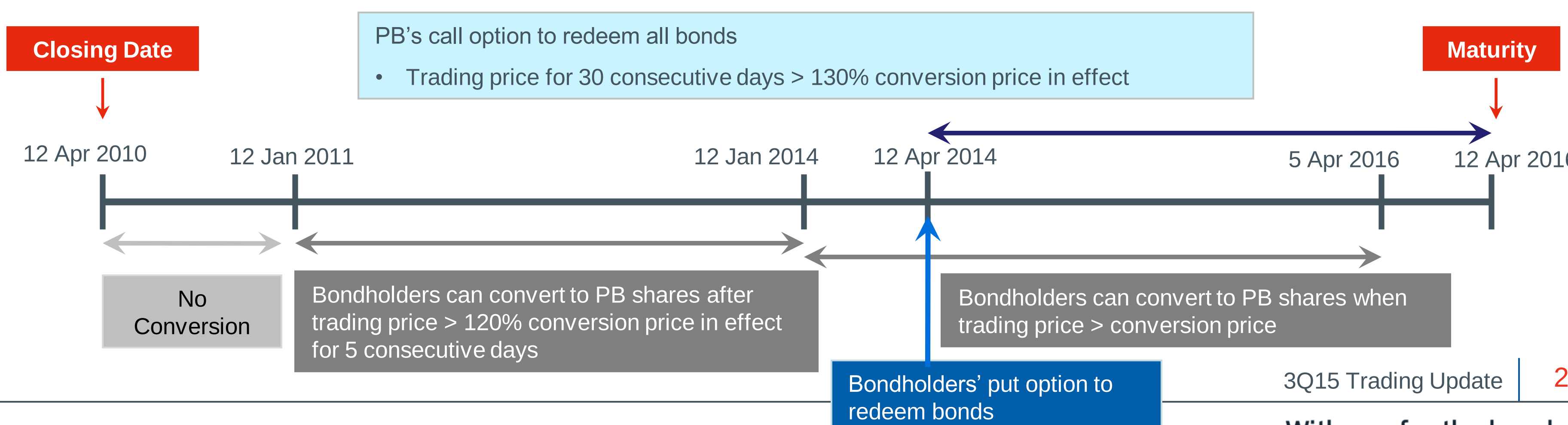
Appendix: Convertible Bonds Due 2016

Issue size	US$230 million (US$20.5m face value put back and repaid on 14 April 2014; Remaining: US$210m)
Maturity Date	12 April 2016 (6 years)
Investor Put Date and Price	12 April 2014 (4 years) at par
Coupon	1.75% p.a. payable semi-annually in arrears on 12 April and 12 October
Redemption Price	100%
Initial Conversion Price	HK$7.98 (Current conversion price: HK$ 6.97 with effect from 27 April 2015)
Conversion Condition	Before 11 Jan 2011: No Conversion is allowed 12 Jan 2011 – 11 Jan 2014: Share price for 5 consecutive days > 120% conversion price 12 Jan 2014 – 5 Apr 2016: Share price > conversion price
Intended Use of Proceeds	To purchase the 3.3% Existing Convertible Bonds due 2013, then redeem the 2013 Convertible Bonds (now all redeemed & cancelled)
Conditions	▪ Shareholders' approval at SGM to approve the issue of the New Convertible Bonds and the specific mandate to issue 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 forthcoming AGM on 22 April 2010

Conversion/redemption Timeline



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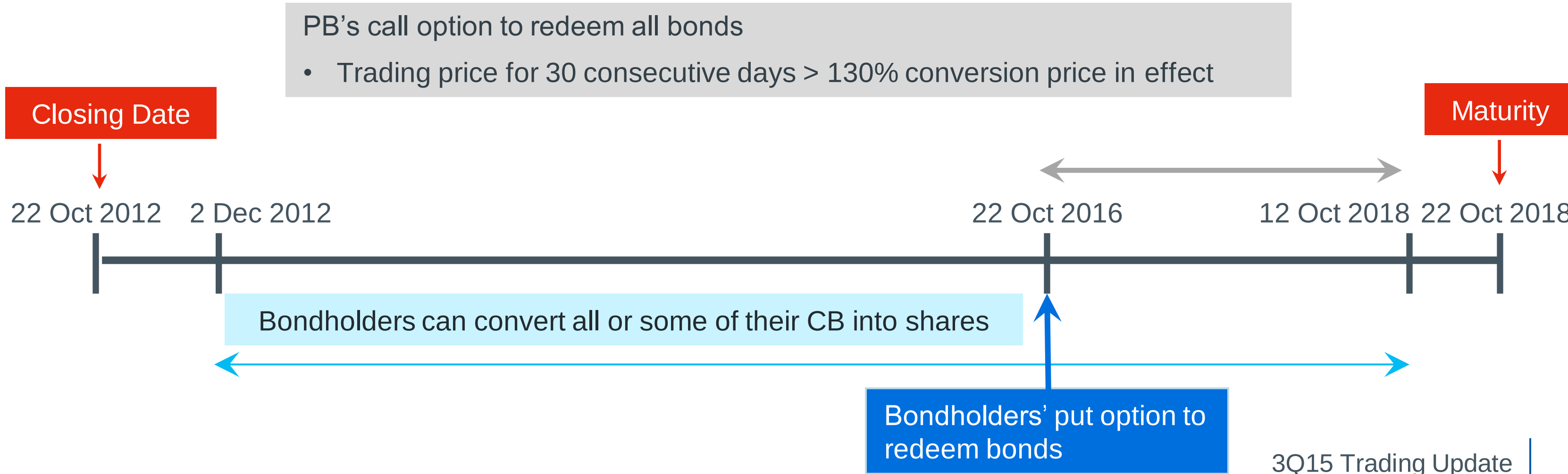
Appendix: Convertible Bonds Due 2018

Issue size	US$123.8 million
Maturity Date	22 October 2018 (6 years)
Investor Put Date and Price	22 October 2016 (4 years) at par
PB's Call Option	1) Trading price for 30 consecutive days > 130% conversion price in effect 2) >90% of Bond converted / redeemed / purchased / cancelled
Coupon	1.875% p.a. payable semi-annually in arrears on 22 April and 22 October
Redemption Price	100%
Initial Conversion Price	HK$4.96 (current conversion price: HK$4.75 with effect from 27 April 2015)
Intended Use of Proceeds	To acquire additional Handysize and Handymax vessels, as well as for general working capital

Conversion/redemption Timeline



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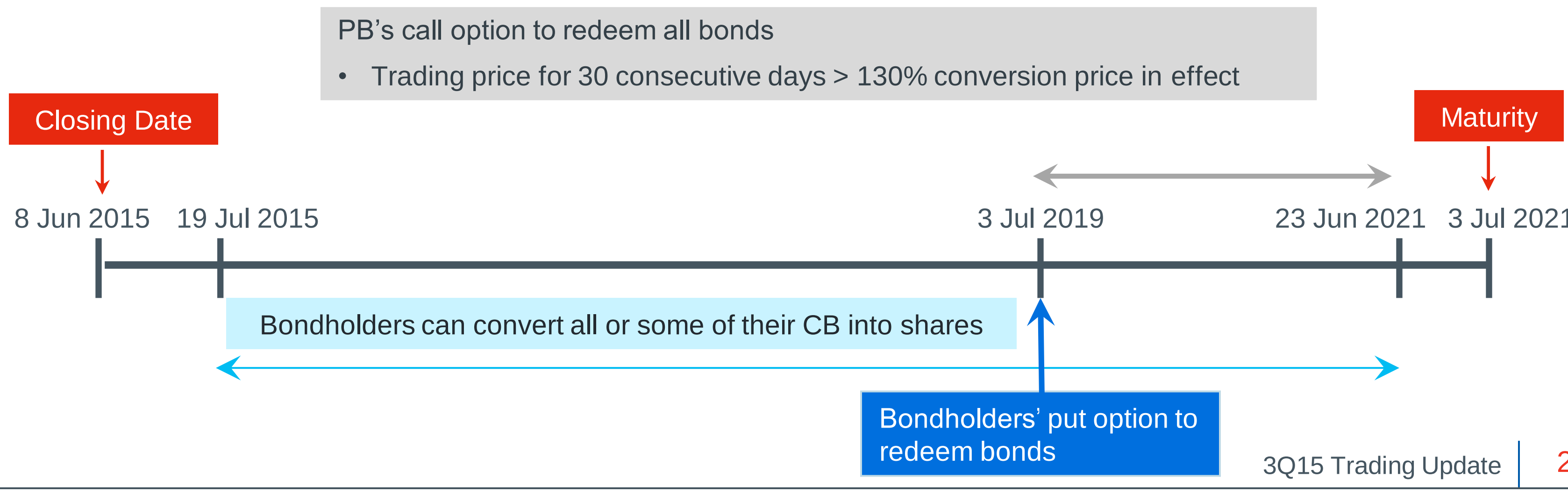
Appendix: Convertible Bonds Due 2021

Issue size	US$125 million
Maturity Date	3 July 2021 (approx. 6 years)
Investor Put Date and Price	3 July 2019 (approx. 4 years) at par
Coupon	3.25% p.a. payable semi-annually in arrears on 3 January and 3 July
Redemption Price	100%
Initial Conversion Price	HK$4.08
Intended Use of Proceeds	To maintain the Group's balance sheet strength and liquidity and to continue to proactively manage its upcoming liabilities, including its Existing Convertible Bonds, as well as for general working capital purposes
Conditions	Shareholders' approval at a SGM to approve the issue of the new Convertible Bonds and the issue of new shares upon conversion of the new Convertible Bonds.

Conversion/redemption Timeline



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Appendix:
Understanding Our Core Market

Bulk Carrier Ship Types		Percentage of Global Dry Bulk Capacity	Versatility	Main Commodities Carried
Major bulks without cranes	**Capesize** 120,000+ dwt	40%	Less Versatile	**Major Bulks** • Iron ore • Coal • Grains
	Panamax & Post-Panamax 65,000-120,000 dwt	28%		
Minor bulks with cranes	**Handymax** 40,000-65,000 dwt	22%	More Versatile	**Minor Bulks** • Logs & Forest Products • Agriculture Products • Fertiliser • Cement & Cement Clinker • Bauxite • Alumina • Ores • Steel & Scrap • Concentrates • Salt • Coal/Coke • Petcoke • Sugar • Other Bulks
	Handysize 25,000-40,000 dwt	10%		

Our Focus

Few ports, few customers, few cargo types, low scope for triangulation

Many ports, many customers, many cargo types, high scope for triangulation

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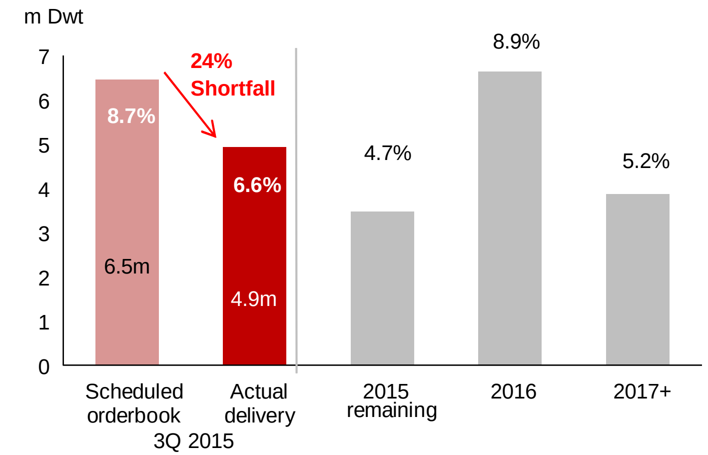
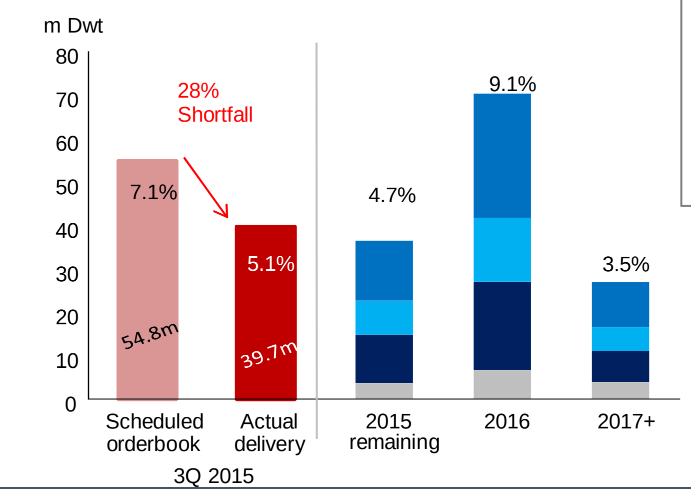
Appendix: Dry Bulk Supply

Handysize Orderbook
379 vessels (13.9m dwt)



Total Dry Bulk Orderbook
1,644 vessels (133.7m dwt)

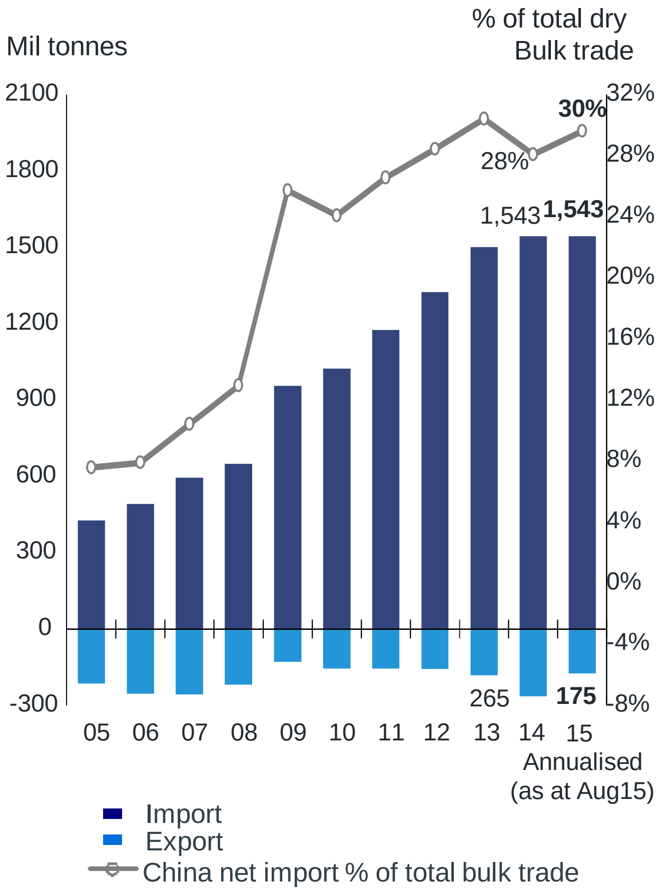


	Orderbook as % of Existing Fleet	Average Age	Over 25 Years	Scrapping as % of Existing Fleet (Annualised)
Handysize (25,000-39,999 dwt)	19%	9	8%	6%
Handymax (40,000-64,999 dwt)	22%	8	3%	2%
Panamax (65,000-119,999 dwt)	13%	8	2%	3%
Capesize (120,000+ dwt)	18%	7	1%	6%
Total Dry Bulk >10,000 dwt	17%	9	3%	4%

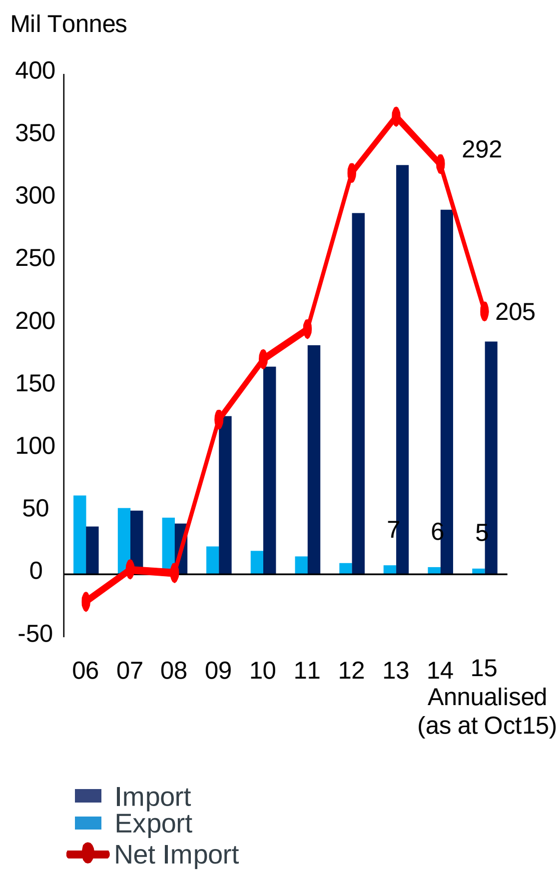
Source: Clarksons Platou, as at 1 Oct 2015

Appendix:
China Dry Bulk Trade, Iron Ore & Coal Demand

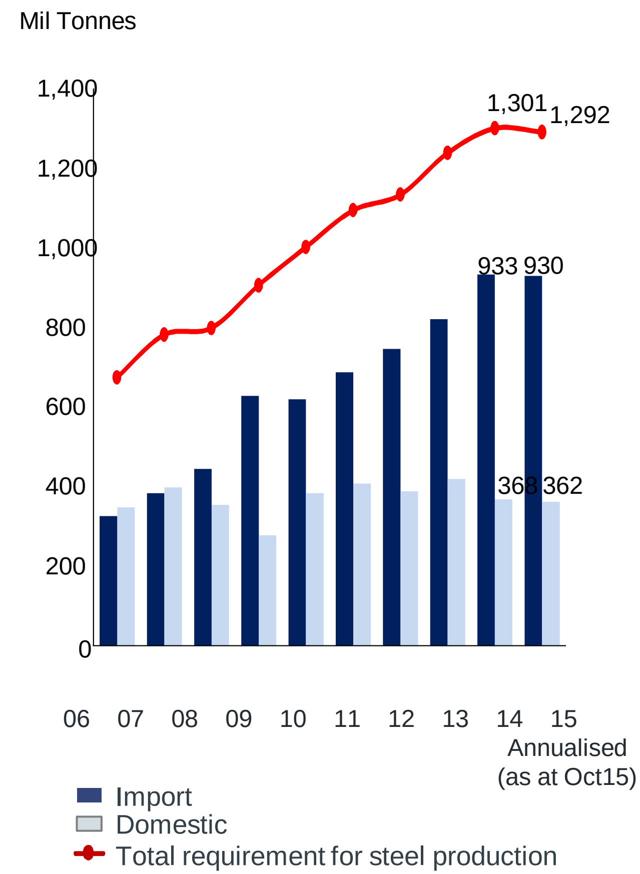
Chinese Dry Bulk Trade Volume



China Coal Net Import



China Iron Ore Sourcing for Steel Production



Source: Clarksons Platou, Bloomberg