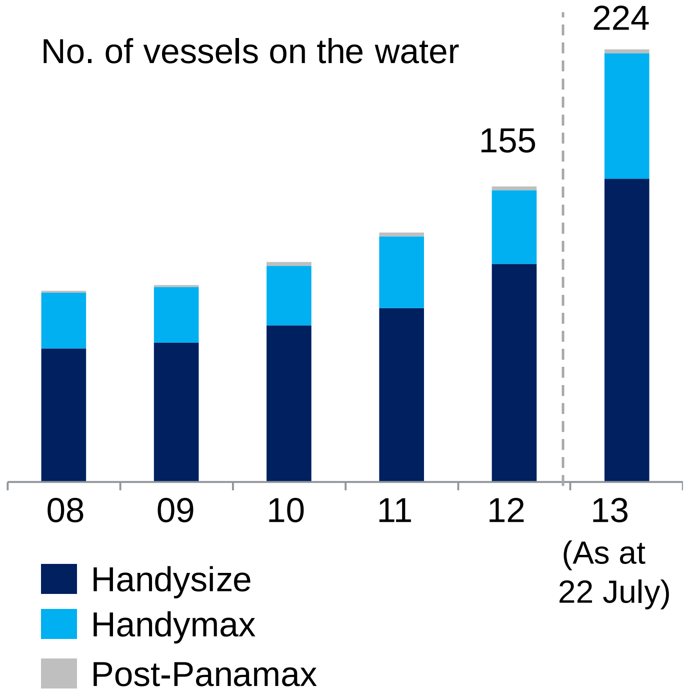
Pacific Basin

RS Platou Markets Shipping Conference
New York, 26 September 2013

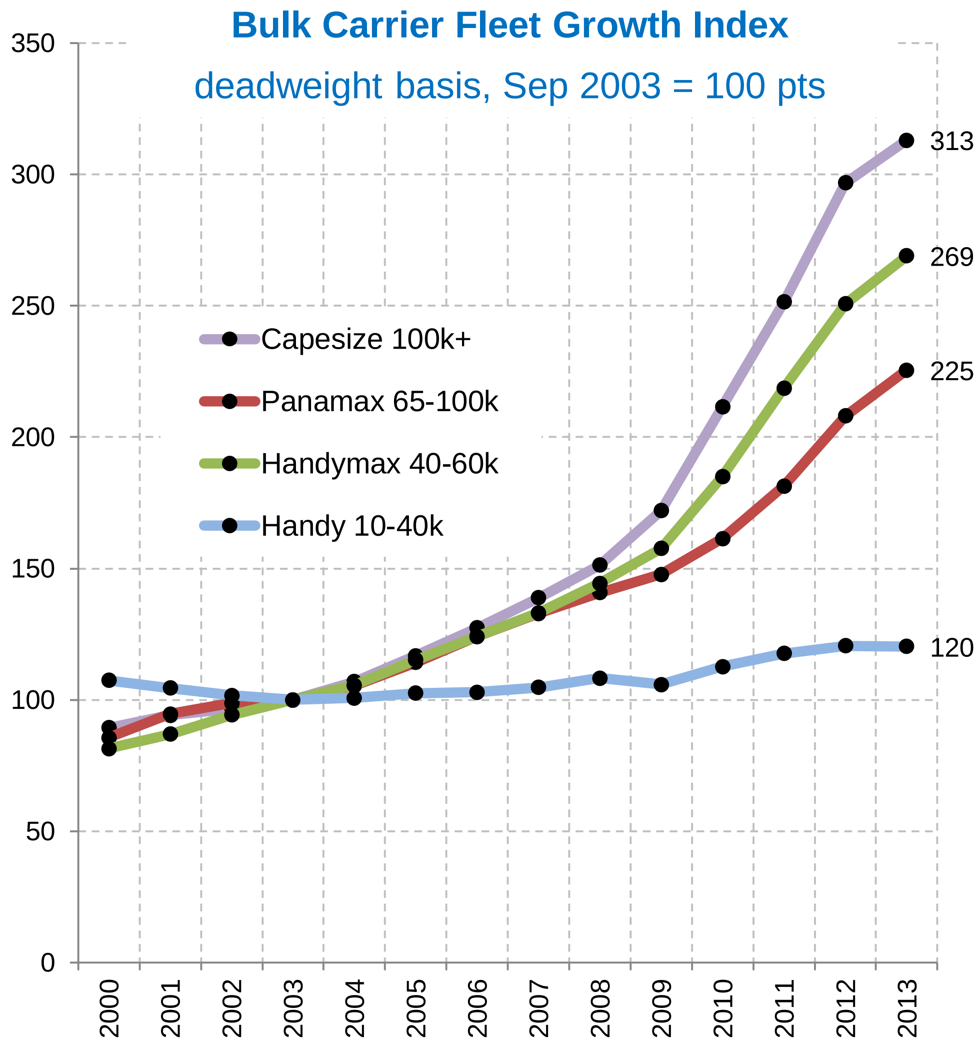
World's Largest Handysize Bulker Owner/Operator

Pacific Basin Dry Bulk Fleet Development



- With a growing Handymax fleet
- Listed in Hong Kong
- US$1.3bill market cap (at 19 Sep 2013)
- Global geographically
- Diversified customers & cargo
- Focus & growth of core business, exit non-core activities

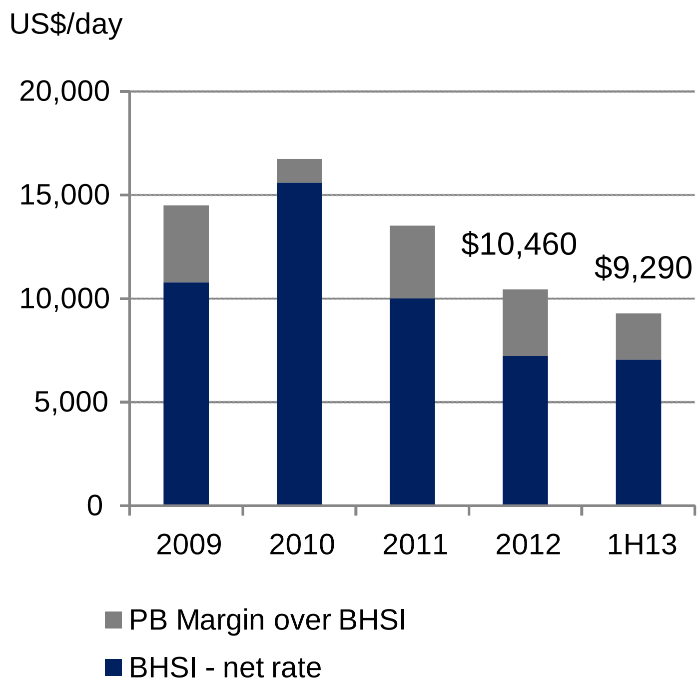
Why Handysize?



- Modest Handysize fleet growth
- Older age profile – higher scrapping
- Robust minor bulk demand
- A segment in which scale & operations make a difference

Cargo Contract Business Model

Pacific Basin Handysize – Outperformance Compared to Market



- Large portfolio of cargo contracts – No outward timecharters
- Large fleet of high-quality substitutable ships
- High laden percentage
- Model allows for both/either owning or chartering in ships
- Average premium last 5 years = US$2,764/day

Why Secondhand Ships?

NB This slide is from 1 year ago

	Handysize	
	Newbuilding*	10 year old*
Price	24 Mill	11 Mill
TCE / day	11,000	10,500
Opex & dd / day	5,000	5,500
EBITDA / year	2.2 Million	1.8 Million
Depreciation / year	0.8 Million	0.5 Million
EBIT / year	1.4 Million	1.3 Million
EBIT / price	6%	12%

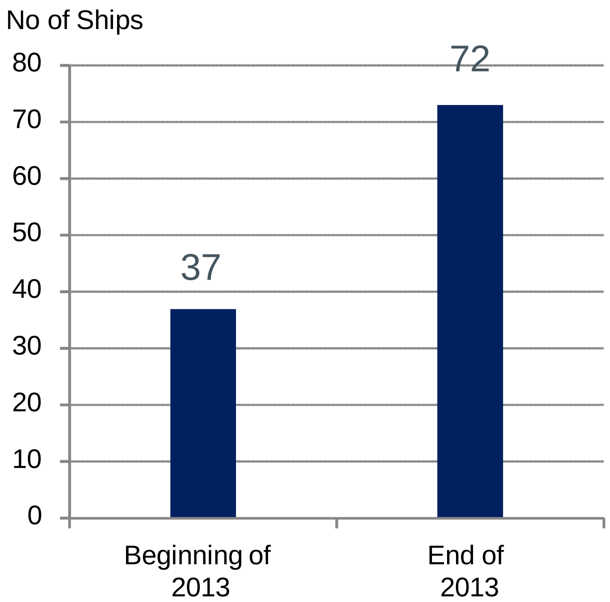
Twice the return and higher upside potential

- A slow steaming strategy
- Well designed secondhand Japanese ships remain operationally competitive

* Japanese built ships - The 10-year old example is the ship we bought in September 2012

Taking Advantage of Strong Cash Position & Historically Low Prices

Pacific Basin Dry Bulk Owned Fleet



- Owned fleet of bulkers is growing from 37 to 72 during 2013
- All ships acquired in past year are Japanese
- Access to Japanese export credit financing
- Balance sheet remains strong with net gearing of 29% and cash of US$442 mil
- 1H2013 underlining profit of US$14 mil (1H12: US$3mil)
- 1H2013 EBITDA of US$59 mil (1H12: US$54mil)

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

Contact IR – Emily Lau
E-mail: elau@pacificbasin.com
ir@pacificbasin.com
Tel : +852 2233 7000

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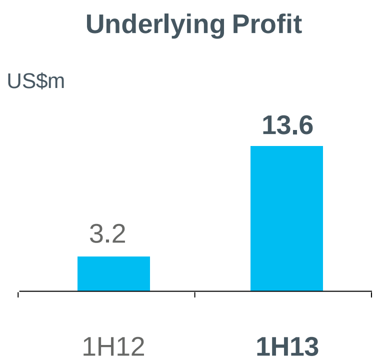
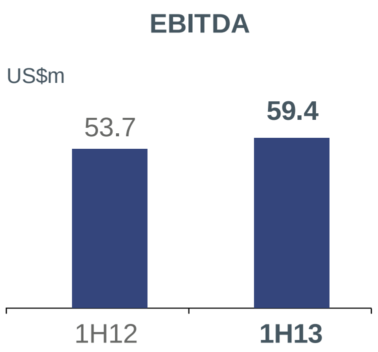
2013 Interim Results – Group Highlights

	1H13	1H12
Underlying Profit	**US$13.6m**	US$3.2m
EBITDA	**US$59.4m**	US$53.7m
Net Profit / (Loss)	**US$0.3m**	US$(195.9)m
Earnings per Share	**HK¢0.1**	HK¢(79)
Cash Position	**US$442.3m**	US$753.5m (31 Dec)



- Group results were impacted by:
  - \+ valuable cargo book & business model → 32% outperformance
  - \+ 16-18% reduction in our daily vessel costs
  - \+ solid US$12.6m contribution from PB Towage
  - \- weakest half-year dry bulk market since 1986
  - \- one-off US$6m lease break costs and exchange rate losses
- Balance sheet remains healthy with substantial cash position:
  - US$442m total cash and deposits
  - 29% group net gearing
- Acquired 27 dry bulk ships and long-term chartered another 9 YTD
- Fully-funded capital commitments of US$298m relating to 19 dry bulk ships
- No dividend for first half…
  …but will consider a payout based on the Group's full-year performance



Pacific Basin Dry Bulk – 1H13 Performance

Handysize
- Handysize daily rate: US$9,290 (-12% YOY)
- PB outperformed spot market by 32%
- Respectable performance reflects value of our industrial and customer-focused business model

Handymax
- Positive contribution in 1H13 – Turned around our 1H2012 loss
- Handymax daily rate: US$10,570 (-14% YOY)
- PB outperformed spot market by 28%
- Now benefiting from lower vessel costs due to:
  - less expensive charters
  - increased number of lower-cost, owned Handymax ships

Post-Panamax
- 2 Post-Panamax ships continue to operate satisfactorily under long-term charters

Further investment in dry bulk
- Since September 2012, we have acquired:
  - 27 Handysize ships
  - 4 Handymax ships

  (25 secondhand & 6 newbuildings)

	1H13 US$ million
Dry Bulk net profit	**11.3**
▪ Handysize contribution	22.4
▪ Handymax contribution	4.3
▪ Direct overheads	(18.3)
EBITDA	**50.7**
Return on net assets	**3%** (annualised)

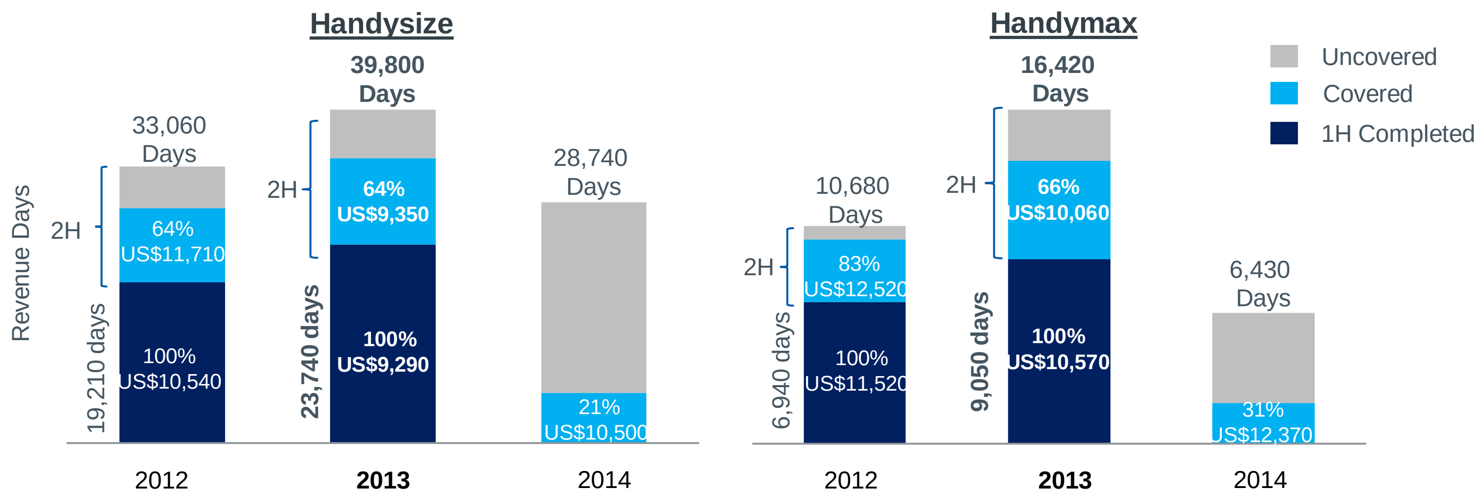
Pacific Basin Dry Bulk

Earnings Cover as at interim results announcement date

Strong dry bulk business model enables us to outperform the spot market:

av. BHSI: $7,060

av. BSI: $8,270

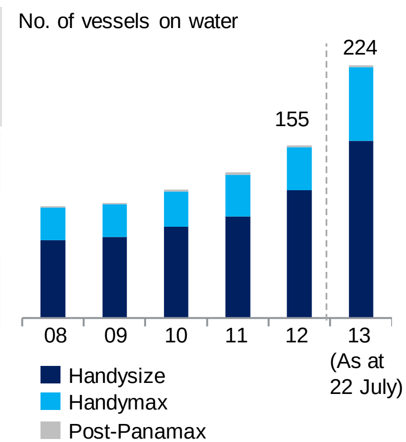


Pacific Basin Dry Bulk Fleet: 246 (on the water: 224) average age of core fleet: 6 years old

	Owned		Chartered		Total	Last year
	Delivered	Newbuilding	Delivered	Newbuilding	22 July 2013	31 Dec 2012
Handysize	**56[1]**	**8**	**101**	**10**	**175**	134
Handymax	**10[1]**	**3**	**55**	**1**	**69**	51
Post-Panamax	**1**	**0**	**1**	**0**	**2**	2
Total	**67**	**11**	**157**	**11**	**246**	187

[1] Including recent secondhand acquisitions of 5 Handysize and 1 Handymax vessels not yet delivered

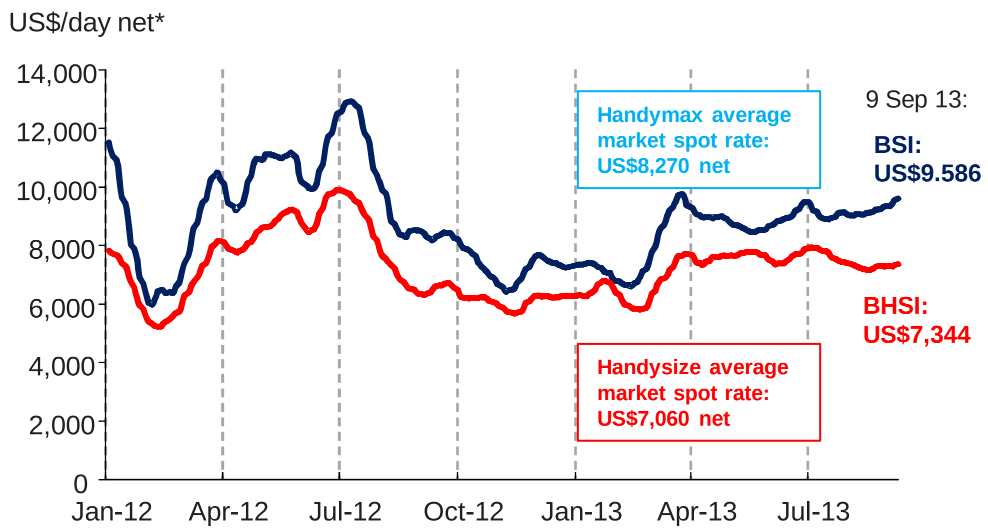
PB Dry Bulk Fleet Development



Dry Bulk Market Information

- Continued oversupply of larger ships impacted freight rates across all dry bulk segments
- Lowest half-year average BDI since 1986
- Handysize and Handymax freight rates significantly outperformed rates for larger Capesize ships
- Increased buying interest and owners' reluctance to sell vessels supported higher secondhand ship values
- 5 year old Handysize value: US$18m (increase 13% since 2H2012)
- Price difference between secondhand and newbuilding narrowing

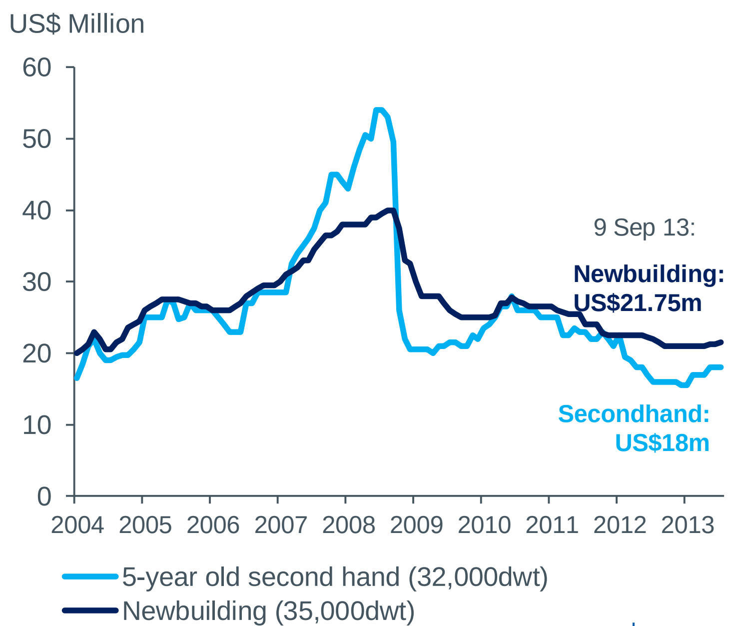
Baltic Handysize Index (BHSI) & Baltic Supramax Index (BSI)



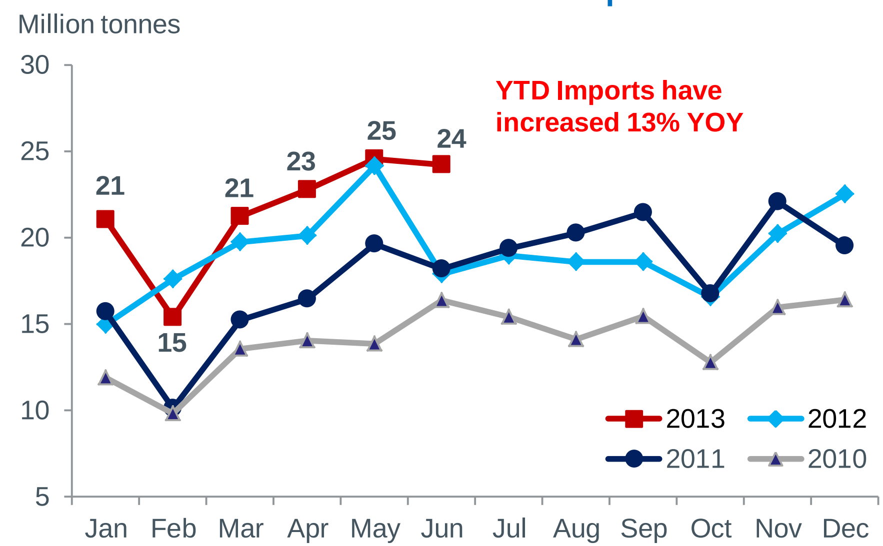
* US$ freight rates are net of 5% commission

Source: Clarksons, The Baltic Exchange

Handysize Vessel Values



Dry Bulk Demand



China imports of a basket of 7 important minor bulks: logs, soyabean, fertiliser, bauxite, nickel, copper concs & manganese ore

- Overall dry bulk demand increased a moderate 5% YOY
- Demand growth influenced by:
  - Expanded Chinese imports of iron ore and coal
  - 13% increase in Chinese imports of seven important minor bulks...

    …lending strong support to global demand for Handysize and Handymax ships

Source: R.S. Platou, Bloomberg

Global Dry Bulk Fleet Development

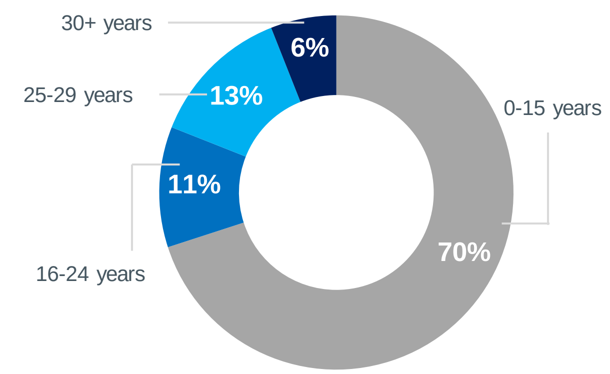
net fleet growth:	Handysize	Dry Bulk overall
1 Jan – 30 June	+1%	+3%

Dry bulk net fleet growth:

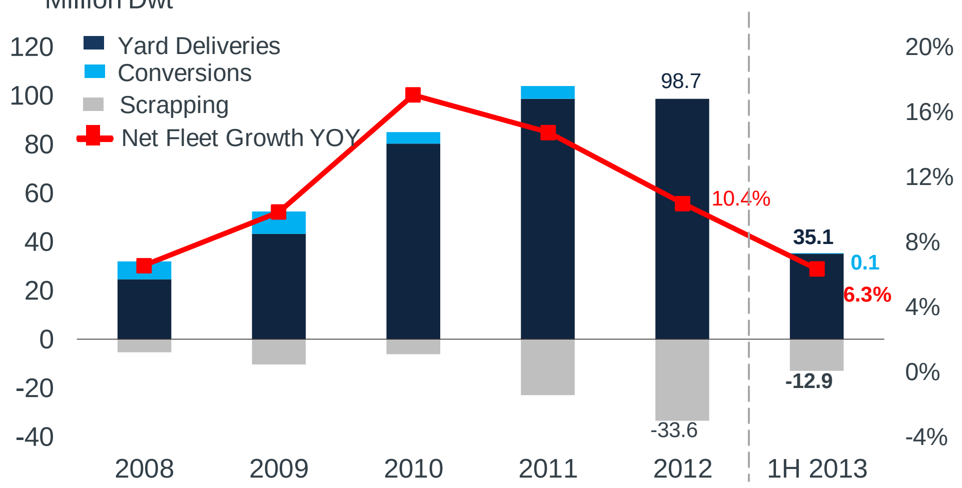
- Driven by 35m tonnes of new capacity
- Partially offset by 13m tonnes of scrapping

Handysize Age Profile (25,000-39,999 dwt)

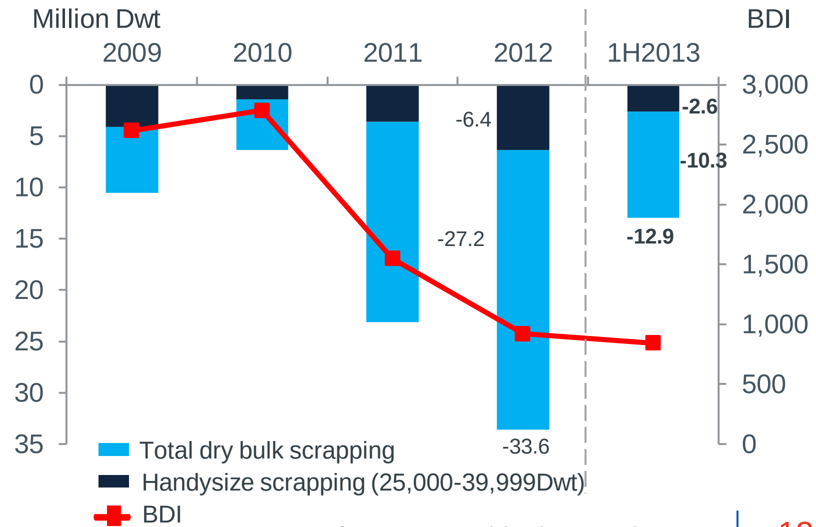
2,137 vessels (68.8m dwt)



Global Dry Bulk Fleet Development



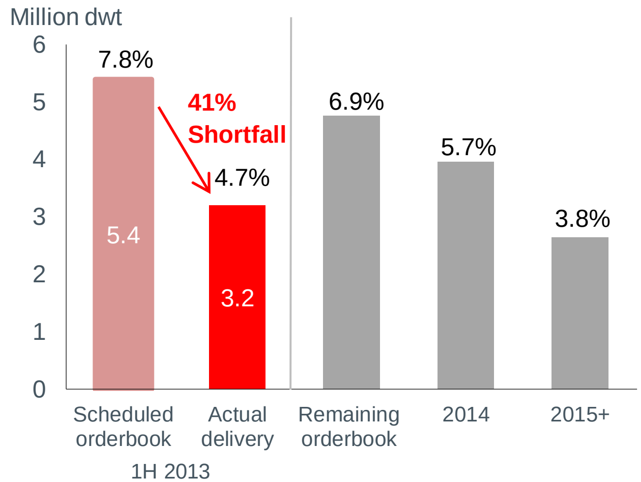
Dry Bulk Scrapping versus BDI



Source: Clarksons, Bloomberg, as at 1 July 2013

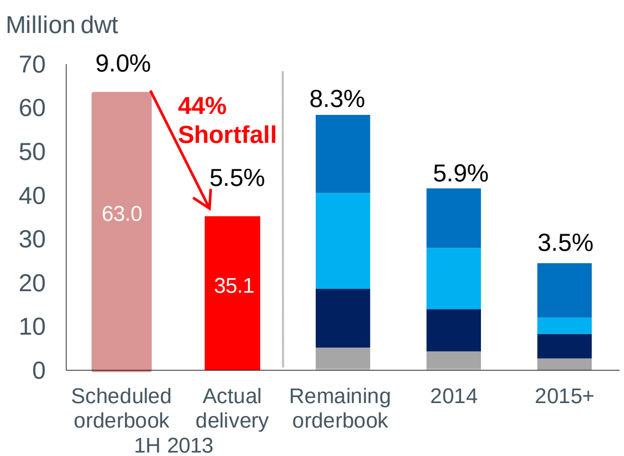
Dry Bulk Orderbook

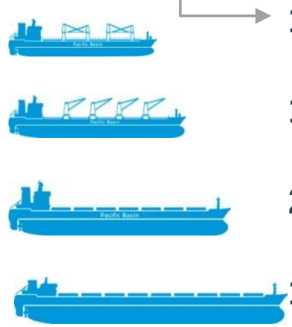
Handysize Orderbook
323 vessels (11.3m dwt)



- New orders for large vessels increased significantly YOY due to lack of availability and increasing price of high-quality, modern secondhand ships
- Handysize orderbook down from 23% to 16% since last year
- Dry bulk orderbook down from 25% to 18%

Total Dry Bulk Orderbook
1,586 vessels (124.5m dwt)





	Orderbook as % of Existing Fleet	Average Age	Over 25 Years	Scrapping as % of Existing Fleet (Annualised)
Total Dry Bulk >10,000 dwt	18%	10	5%	4%
Handysize (25,000-39,999 dwt)	16%	11	19%	8%
Handymax (40,000-64,999 dwt)	19%	9	7%	4%
Panamax (65,000-119,999 dwt)	21%	8	3%	2%
Capesize (120,000+ dwt)	16%	8	2%	4%

Source: Clarksons, as at 1 July 2013

Pacific Basin Dry Bulk – Outlook

- China's continued strong demand for minor bulks despite slower economic growth
- Continued US economic recovery and reviving industrialisation in North America
- High level of scrapping and decreasing newbuilding deliveries leading to zero or negative Handysize net fleet growth
- Bank lending remains selective, limiting funding for ship acquisitions to shipowners with track records and healthy balance sheets

- Excessive newbuilding capacity, especially in China, and competition from shipyards to win new orders
- Credit squeeze in China leading to slower economic and industrial growth and slower growth in dry bulk imports
- Shipowner optimism resulting in less scrapping and increased vessel ordering

PB Outlook:

- Dry bulk market to remain weak overall in rest of the year
- Dry cargo demand likely to remain relatively healthy
- Supply-side fundamentals improving, but…
  will take time to absorb oversupply of larger ships and for cyclical upturn/sustained recovery to take hold
- Optimistic about medium-to-longer term

Strategy:

- Expand our fleet of high-quality owned and LT chartered Handysize and Handymax ships
- Expand our customer and cargo portfolio

PB Towage – 1H13 Performance

1H13 Performance

- Continued strong demand for marine logistics, offshore construction support and harbour towage solutions
- Steady growth in harbour towage sector
- Continued activity across a number of LNG projects
- PB Towage has developed a good reputation

	1H13 US$ million
Towage net profit	**12.6**
EBITDA	**19.8**
Return on net assets	**12%** (annualised)

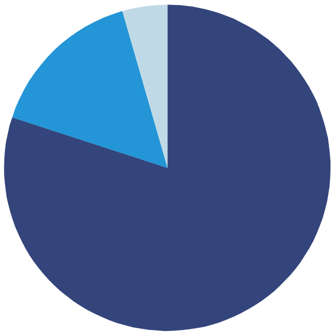
Offshore Towage

- Increased 50% shareholding in OMSA JV reflects our confidence in prospects for OMSA and Australia's offshore gas sector
- Tendering for Gorgon, Wheatstone and Ichthys LNG related projects in Western Australia and Northern Territories
- Researching nearby markets demonstrating long-term growth potential
- Working on opportunities to provide cost-effective, operationally-efficient solutions to fill gaps in project cargo transportation market

Harbour Towage

- Commenced new harbour towage operation in Newcastle in July – One of only two operators in world's largest coal port

PB Towage Fleet: 45 vessels
(as at 22 July 2013)



- 36 Tugs (31 Owned + 5 Chartered)
- 7 Barges (6 Owned + 1 Chartered)
- 1 owned bunker tanker and 1 chartered passenger/supply vessel

PB Towage – Outlook

- Growth in Australian bulk exports and port infrastructure development
- Exclusive licences in a number of bulk ports up for tender in 2015 onwards
- Potential for long-term LNG terminal towage contracts as projects move from construction to production phase
- Growth in international and domestic project cargo movements in LNG and mining sectors

- Volatile global markets and hesitation in global economic recovery, amplified by a credit squeeze in China, impacting growth in dry bulk trades and Australian port activity
- Labour market shortages and cost pressures in Australia impacting returns from capital investment projects and oil companies' appetite for investment
- Exchange rate movements affecting business drivers including Australia's export competitiveness, imports and trade balance

PB Outlook:

- Well positioned to compete for Australian & international offshore and harbour opportunities
- Supported by more Australian offshore gas projects and growing port volumes

Strategy:

- Focus on current opportunities for offshore support and further develop modular project cargo transportation solutions
- Expand harbour towage business by focusing in the medium term on exclusive ports contracts and towage jobs in open competition ports

2013 Interim Financial Highlights

US$m	1H13	1H12
Segment net profit	**25.8**	18.2
▪ Treasury	**(4.3)**	(0.9)
▪ Discontinued Operations - RoRo	**(0.8)**	(8.5)
▪ Non direct G&A	**(7.1)**	(5.6)
Underlying profit	**13.6**	3.2
▪ Unrealised derivative expenses	**(3.5)**	(9.1)
▪ RoRo vessel exchange loss & impairment charge	**(8.3)**	(190.0)
▪ Expenses relating exercising five purchase options under finance leases	**(6.1)**	-
▪ Towage exchange gain	**4.6**	-
Profit/(Loss) attributable to shareholders	**0.3**	(195.9)

- Underlying profit increase reflected increased Handymax contribution and reduced loss from discontinued RoRo operation
- RoRo foreign exchange loss was released from reserves upon commencement of 3 bareboat charters

Pacific Basin Dry Bulk

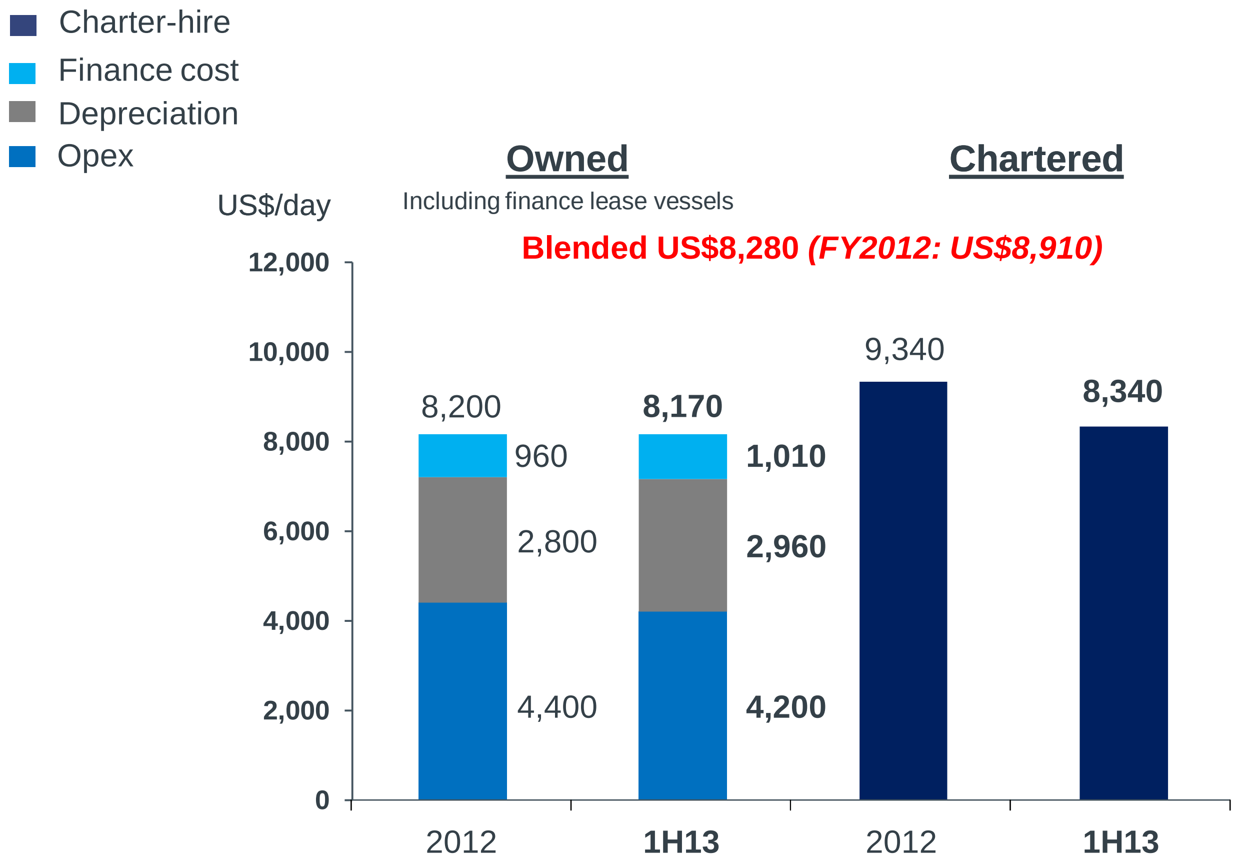
Handysize		**1H13**	1H12	Change
Revenue days	(days)	**23,740**	19,210	+24%
TCE earnings	(US$/day)	**9,290**	10,540	-12%
Owned + chartered costs	(US$/day)	**8,280**	9,250	-11%
Handysize contribution	(US$m)	**22.4**	22.8	-2%
Handymax contribution	(US$m)	**4.3**	(1.4)	+407%
Post Panamax contribution	(US$m)	**2.9**	2.8	+4%
Direct overhead	(US$m)	**(18.3)**	(16.7)	-10%
Dry Bulk Net profit	**(US$m)**	**11.3**	7.5	+51%
Annualised return on net assets (%)		**3%**	2%	+1%

- Revenue day increase reflects increased index-linked chartered-in vessels
- Daily costs reduction reflects lower market rates for chartered-in vessels

Pacific Basin

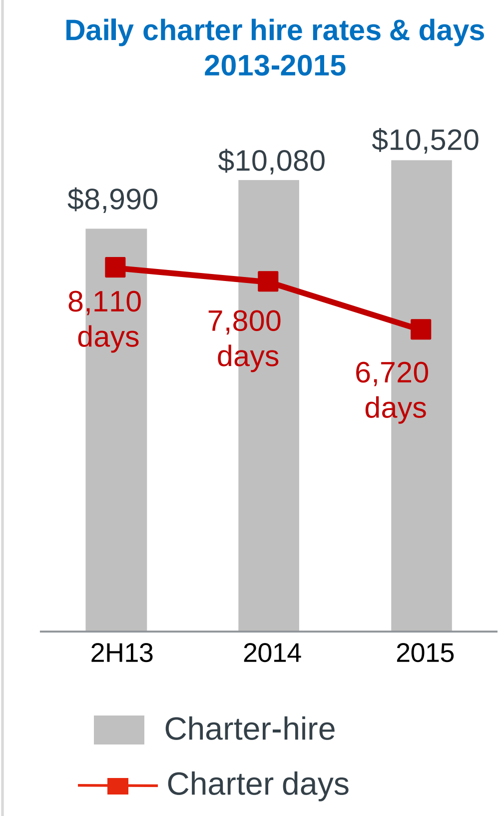
Daily Vessel Costs – Handysize

As at 30 June 2013



Vessel Days	15,570	**8,710**	25,630	**15,230**
	38%	**36%**	62%	**64%**

Inward Charter Commitments



- Overall direct overheads for Handysize and Handymax vessels US$550 per day

Balance Sheet

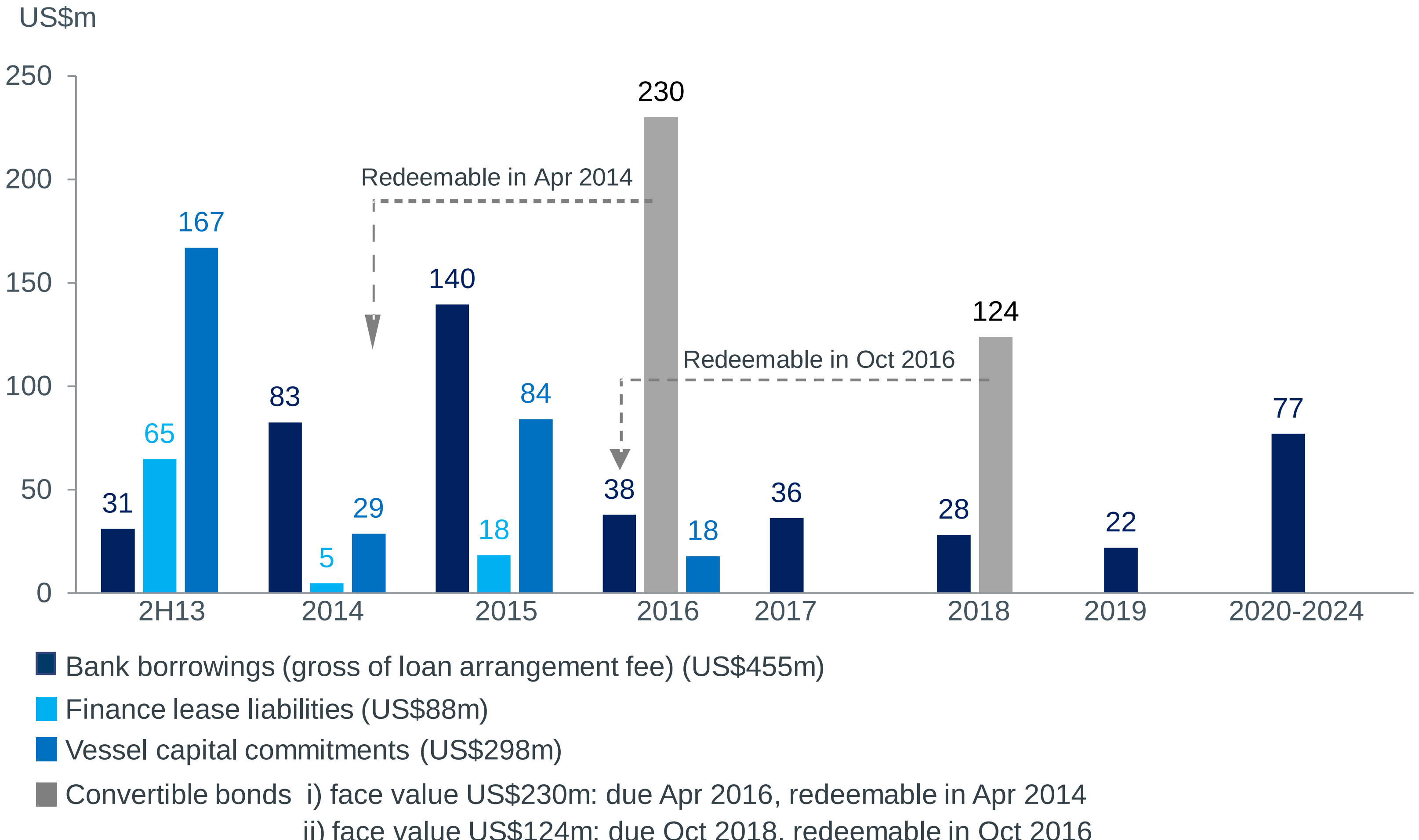
US$m	PB Dry Bulk	PB Towage	Treasury	Discontinued RoRo	30 Jun 13	31 Dec 12
Vessels & other fixed assets	1,250	181	-	-	**1,436**	1,270
Total assets	1,501	249	544	32	**2,347**	2,470
Long term borrowings	466	25	366	-	**857**	931
Total liabilities	616	39	373	3	**1,051**	1,138
Net assets	885	210	171	29	**1,296**	1,332
Net borrowings (after total cash of US$442m)					**415**	178
Net borrowings to net book value of property, plant and equipment					**29%**	14%

- US$136m Japanese export credit loan facility arranged in the period and partially drawn
- Finance lease liabilities have been reduced following exercise of the purchase option
- Cash has been used for our vessel commitments
- We plan to secure new bank facilities in due course

Note: 30 June 2013 total includes other segments and unallocated

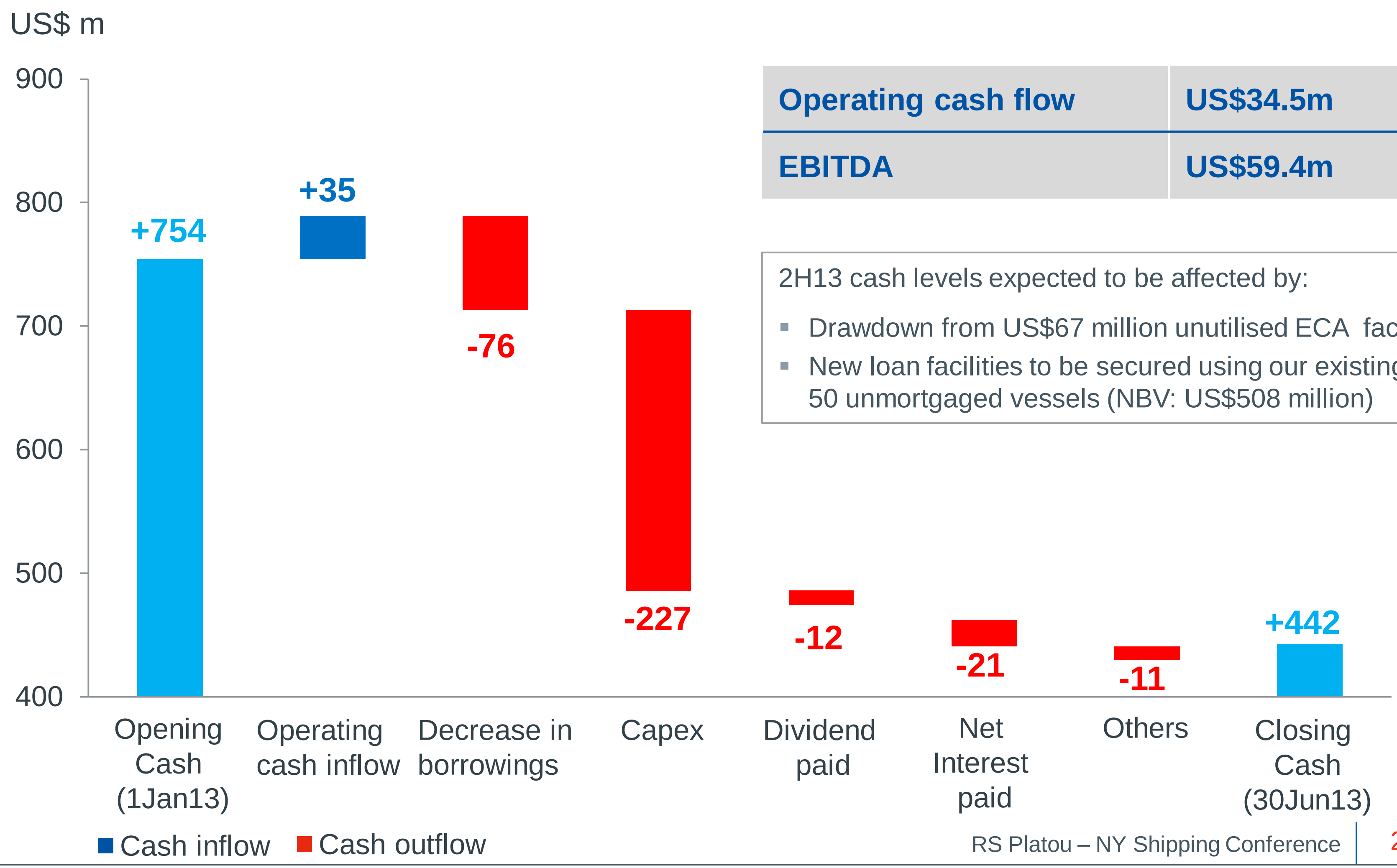
Borrowings and Capex

The Group had cash balances of US$442m, borrowings of US$857m and a net borrowings ratio of 29% against the Net Book Value of property, plant and equipment



Cash Flow

1H2013 Sources and Uses of Group Cash Flow



Operating cash flow	**US$34.5m**
EBITDA	**US$59.4m**

2H13 cash levels expected to be affected by:

- Drawdown from US$67 million unutilised ECA facility
- New loan facilities to be secured using our existing 50 unmortgaged vessels (NBV: US$508 million)

Pacific Basin

Our Outlook and Strategy

We are focused on growth in our two core businesses

Dry Bulk

- Robust business model enables outperformance of the market, outperformance of larger ships
- Expect Handy bulk market to remain weak in the rest of 2013
- Demand to remain relatively healthy, but market needs time to absorb over-supply for sustained recovery
- Strategy: i) Continue to expand fleet of owned and LT chartered Handysize and Handymax ships at attractive prices/rates

  ii) Expand customer and cargo portfolio in tandem with fleet expansion

Towage

- Well positioned to compete for Australian domestic and international opportunities
- Strategy: Develop further our towage business focusing on

  i) Current offshore support opportunities

  ii) longer-term development of modular project cargo transport solutions

  iii) exclusive ports contracts and towage jobs in open competition ports

Appendix:
Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Handymax dry bulk ships
- Flexible Pacific Basin Dry Bulk business model
  - Large fleet of uniform, interchangeable, modern ships
  - Mix of owned and long-term, short-term chartered ships
  - Operating mainly on long term cargo contract (COA) and spot basis
  - Diversified customer base of mainly industrial producers and end users
  - Extensive network of offices positions PB close to customers
- Also owning/operating offshore and harbour tugs
- >260 vessels serving major industrial customers around the world
- Hong Kong headquarters, 16 offices worldwide, 350 shore-based staff, 2,500 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

* As at July 2013

Appendix:
How we create value

Pacific Basin

<u>Our large, flexible Fleet</u>

- Large scale, high-quality dry bulk fleet
- Interchangeable nature provides flexibility to customers and ability to optimise scheduling
- Modern fleet of tugs and barges provides reliable service in harbours and for offshore projects
- Comprehensive in-house technical operations function

<u>Our strong corporate profile</u>

- Founded in 1987
- Strong balance sheet enhancing our profile as a preferred counterparty for cargo customers and tonnage providers
- Well-positioned to invest , expand
- Commitment to good corporate governance and CSR

<u>Our customer focus priority</u>

- Customer-focused model - strong relationship with >300 customers
- Spot cargoes and long-term cargo contracts – affording customers reliable freight cover
- Responsive, accessible and problem-solvers at every turn

<u>Our global office network</u>

- 16 offices globally – including 12 dry bulk offices across 6 continents
- Localised chartering and operations support
- Facilitates comprehensive, accurate market intelligence

Appendix:
Pacific Basin Dry Bulk – Diversified Cargo

Pacific Basin Handysize and Handymax Cargo Volume 1H13

Minerals

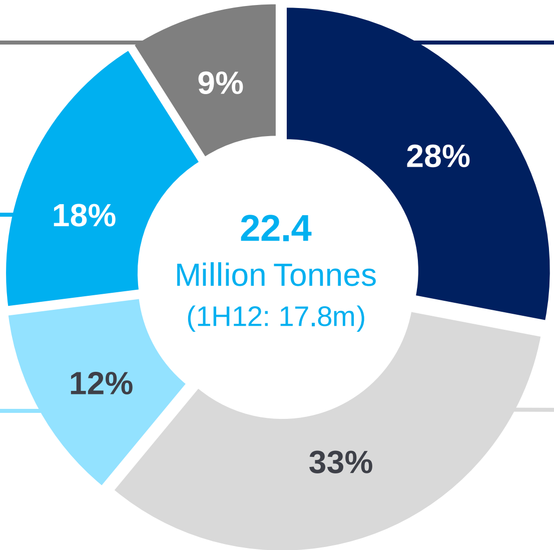
Salt	3%
Sand & Gypsum	6%

Metals

Alumina	4%
Ores	8%
Concentrates & Other Metals	6%

Energy

Coal	5%
Petcoke	7%



Agricultural Products

Grains & Agricultural Products	16%
Fertiliser	8%
Sugar	4%

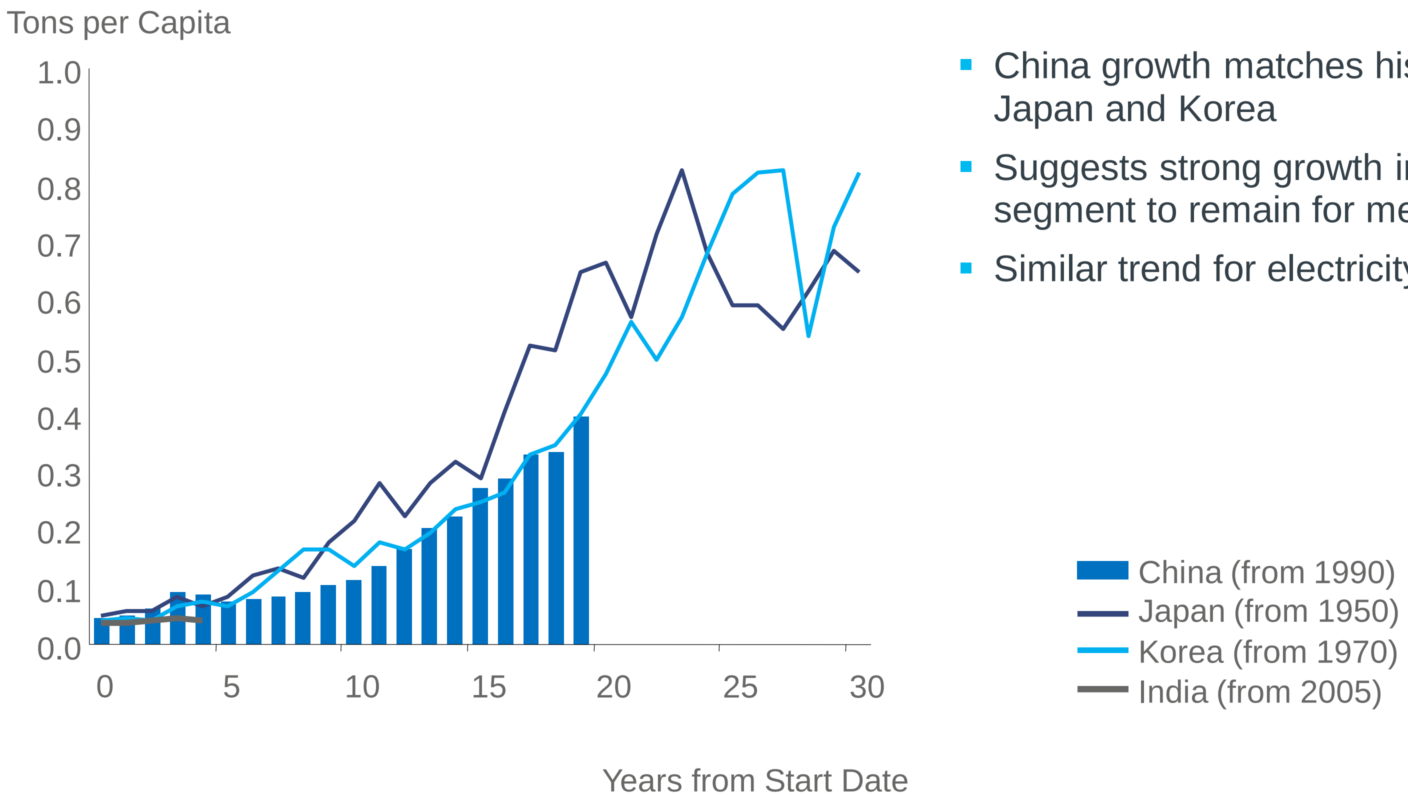
Construction Materials

Logs & Forest Products	17%
Steel & Scrap	7%
Cement & Cement Clinkers	9%

- Diverse range of commodities reduces product risk
- Australasia and China were our largest loading and discharging zones respectively

Appendix:
China at late-Industrialisation Stage

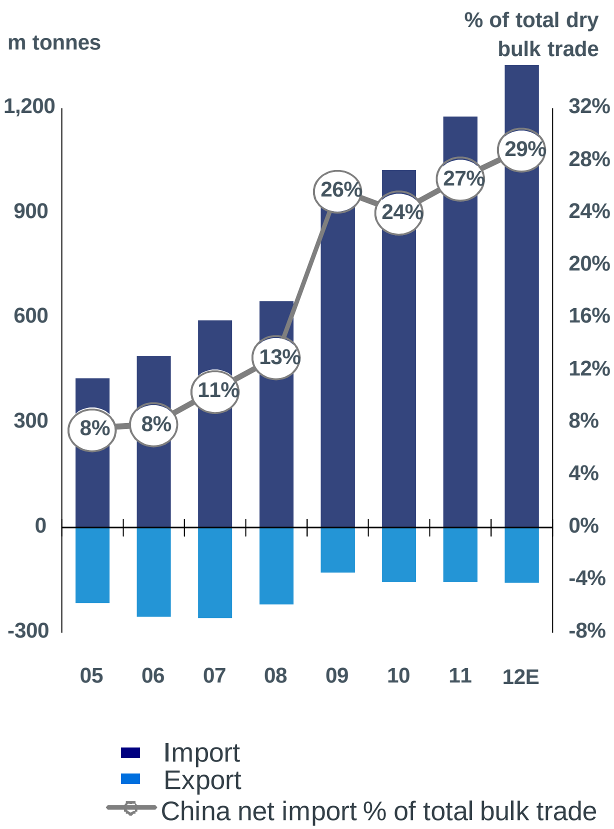
Steel Consumption Per Capita



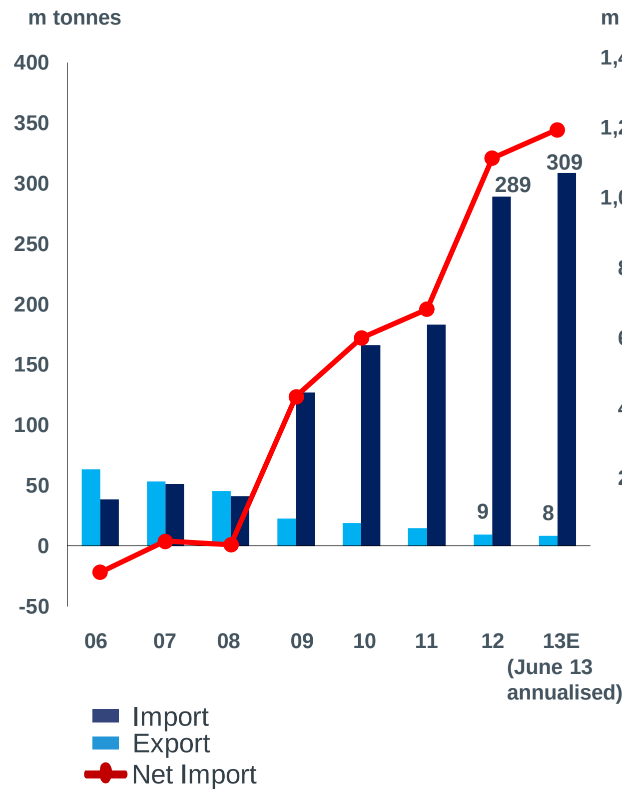
- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

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

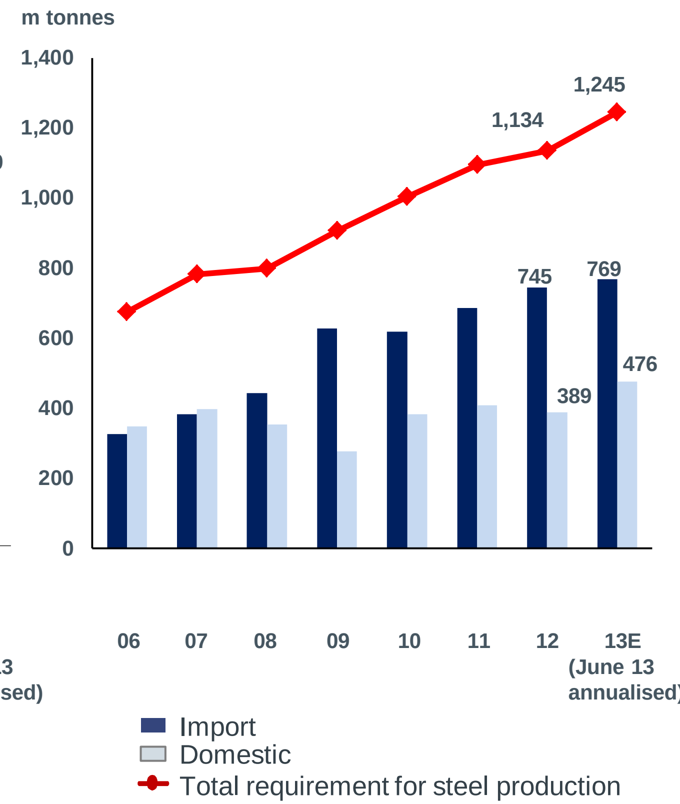
Chinese Dry Bulk Trade Volume



China is a significant net importer of coal in 1H13



China Iron Ore Sourcing for Steel Production



Source: Clarksons, Bloomberg, data as at 1 July 2013

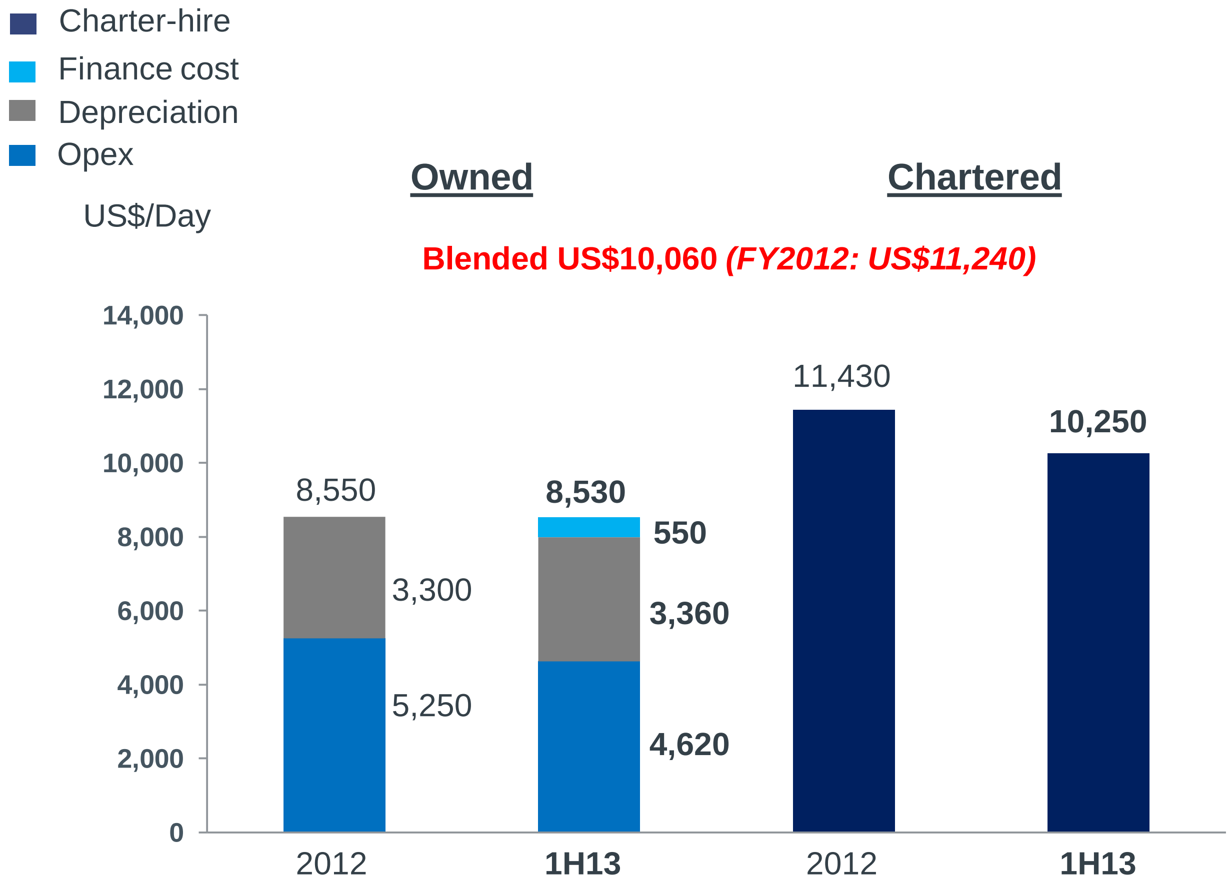
Appendix:
Pacific Basin Dry Bulk – Handymax

		1H13	1H12	Change
Revenue days	(days)	**9,050**	6,940	+30%
TCE earnings	(US$/day)	**10,570**	11,520	-8%
Owned + chartered costs	(US$/day)	**10,060**	11,720	-14%
Handymax contribution	(US$m)	**4.3**	(1.4)	+407%
Post Panamax contribution	(US$m)	**2.9**	2.8	+4%
Total contribution	(US$m)	**7.2**	1.4	+414%

- Earnings: Time Charter Equivalent (TCE) rates reflect weaker spot freight market
- Costs: Blended daily costs reflect lower chartered-in costs market vessels
- Net profit: excludes US$1.4m unrealised net derivatives expenses

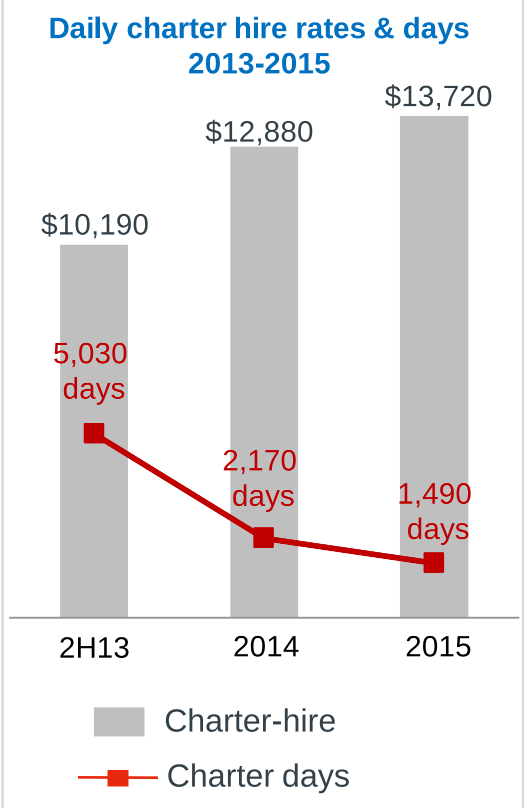
Appendix: Daily Vessel Costs – Handymax

As at 30 June 2013



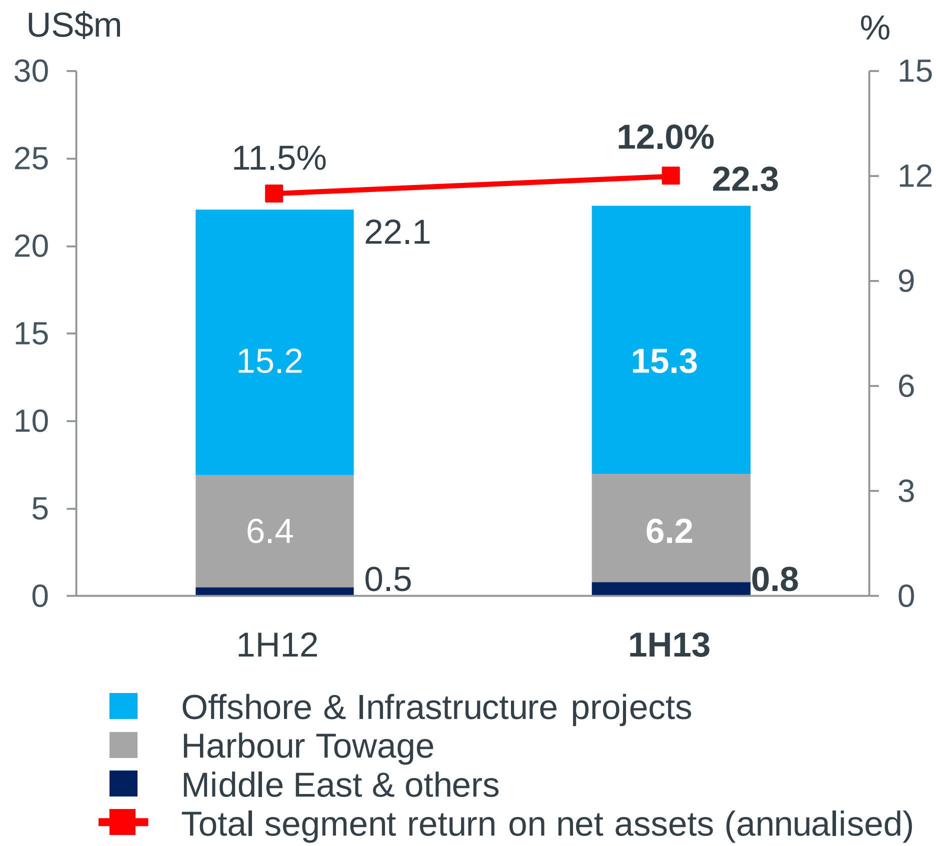
	2012	1H13	2012	1H13
Vessel Days	940	**1,010**	13,690	**8,070**
	6%	**11%**	94%	**89%**

Inward Charter Commitments



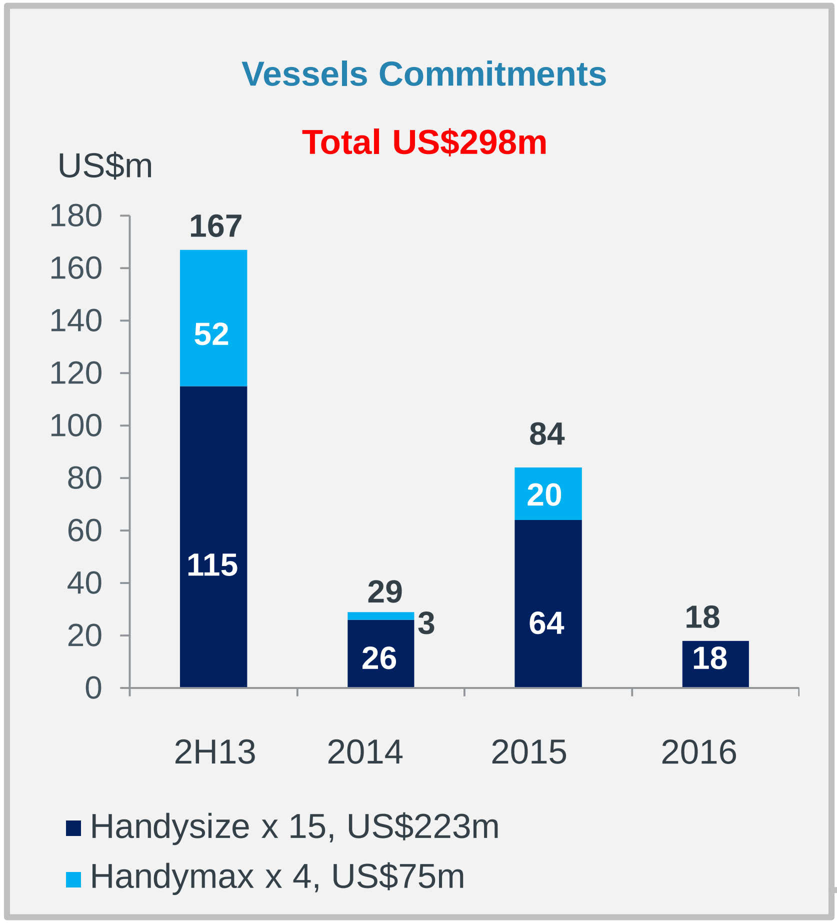
Appendix:
Towage Segment Operating Performance Before Overheads

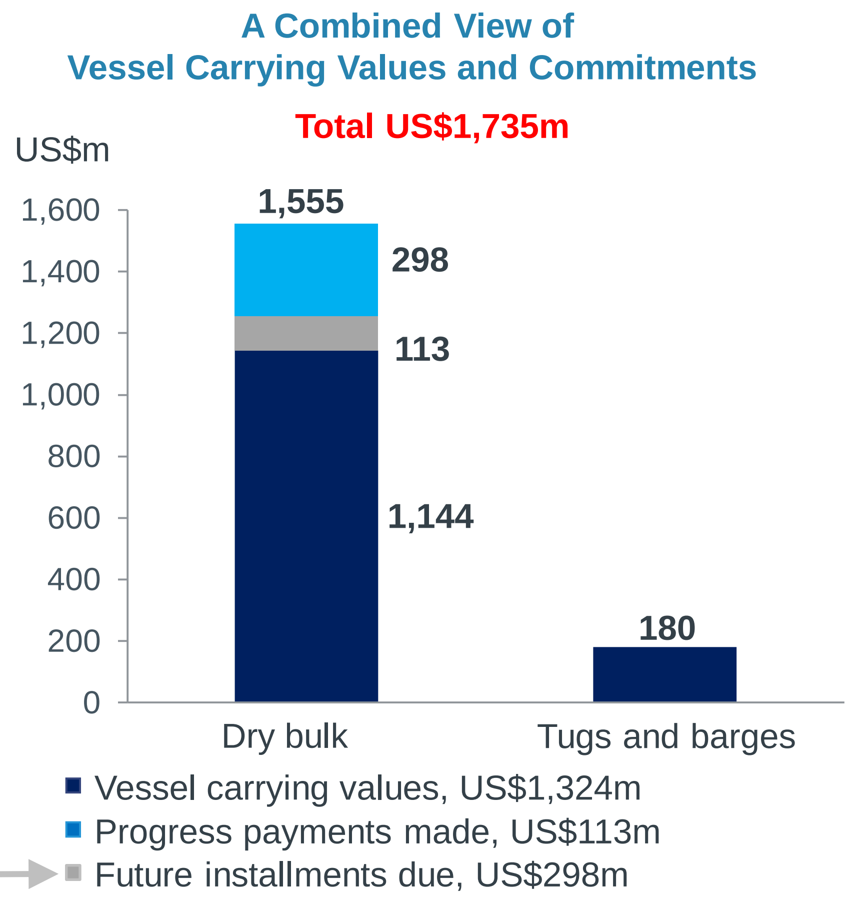
As at 30 June 2013



Operating performance	US$22.3m
Direct overheads	US$(9.7)m
Segment net profit	US$12.6m
EBITDA	US$19.8m

Appendix:
Capex and Combined Vessel Value





- Further commitments expected in Dry Bulk

Appendix:
PB RoRo

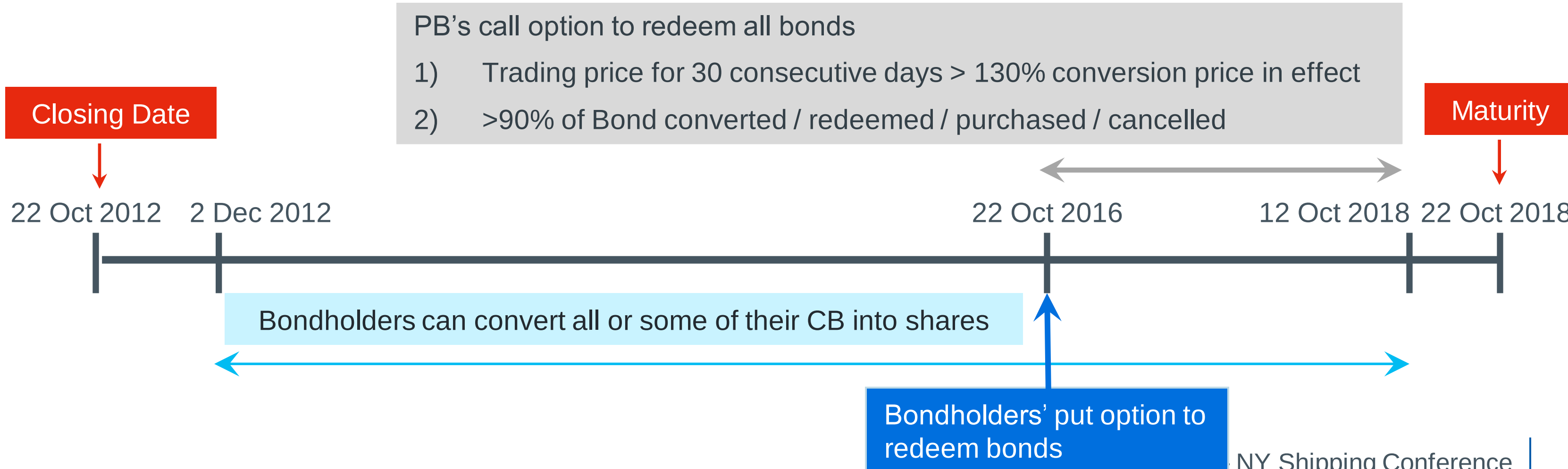
US$ Million	2H13	2014	2015	Total
Interest Income - Treasury	3.8	6.1	2.9	12.8
Exchange Losses - Unallocated	-	(5.0)	-	(5.0)
Total	3.8	1.1	2.9	7.8

- Considered a discontinued operation
- 2012: Agreed sale of all 6 RoRos to Grimaldi for Eur153m (approx. US$188m)
- All 6 vessels to be bareboat chartered by buyers until transfer of ownership
- 5 bareboat charters commenced:
  - 2 in Oct 2012
  - 3 in Feb 2013 (ownership transfer of 1 completed in June 2013)
  - 1 to commence in March 2014, after current time charter
- At least one vessel to be purchased by end of each 6-month period ending June 2013 through Dec 2015

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$4.90 with effect from 24 April 2013)
Intended Use of Proceeds	To acquire additional Handysize and Handymax vessels, as well as for general working capital

Conversion/redemption Timeline



Appendix: Convertible Bonds Due 2016

Issue size	US$230 million
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$7.98 (Current conversion price: HK$ 7.18 with effect from 24 April 2013)
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