Pacific Basin

2016 First Quarter Trading Update

DB Access Asia Conference
23-25 May 2016

Singapore

11 May 2016

2016 First Quarter Trading Update

PB Update

- Our business model enabled us to outperform spot market indices in 1Q:

Average Daily Earnings	FY2016 Cover US$/day	Q1 US$/day	Q1 Outperformance
Handysize TCE	55% @ $7,100	$5,900	+83%
Supramax TCE	71% @ $6,800	$5,800	+61%

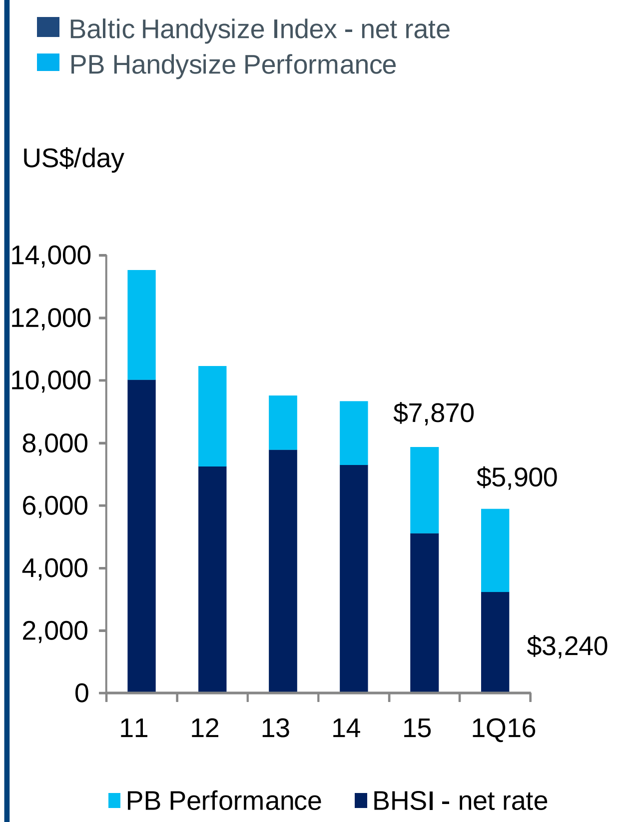
- We have not taken any long-term chartered ships – we rely more on our larger owned fleet, complemented by ships on shorter-term and index-linked charters
- About 2/3 of our Supramax fleet is chartered in on a short-term basis, hence weak Supramax market rates are reducing our Supramax vessel costs as well as revenue

Market Update

- New record low market freight rates for all bulk carrier types in Feb 2016
- Market rates have improved for minor bulk ships since mid-Feb (after seasonally slower winter and Chinese New Year holiday) albeit from a very low base
- Significant gap between newbuilding and secondhand prices continues to discourage new ship ordering which was negligible in 1Q
- YTD average industry freight earnings are below industry cash operating expenses for many shipowners
  →significantly higher scrapping in early 2016 has helped reduce global dry bulk net fleet growth
  →if sustained, could lead to net shrinkage of the global dry bulk fleet in 2016

Our Ability to Outperform

Our TCE Outperformance Compared to Market



Our business model has been built up and refined over many years. Through a combination of the following factors, we are able to generate a premium over market rates due to our high laden percentage (minimum ballast legs):

- Experienced staff & global office network
- Large fleet of high-quality substitutable ships
- Our cargo contracts, relationships & direct interaction with end users
- An increasing proportion of owned vessels facilitating greater control and minimising trading constraints
- Handysize Segment's versatile ships and diverse trades

Average premium last 5 years:

- Handysize TCE: **US$2,650/day** (FY2015: $2,760)
- Supramax TCE: **US$1,800/day** (FY2015: $2,550)

As in Annual Report

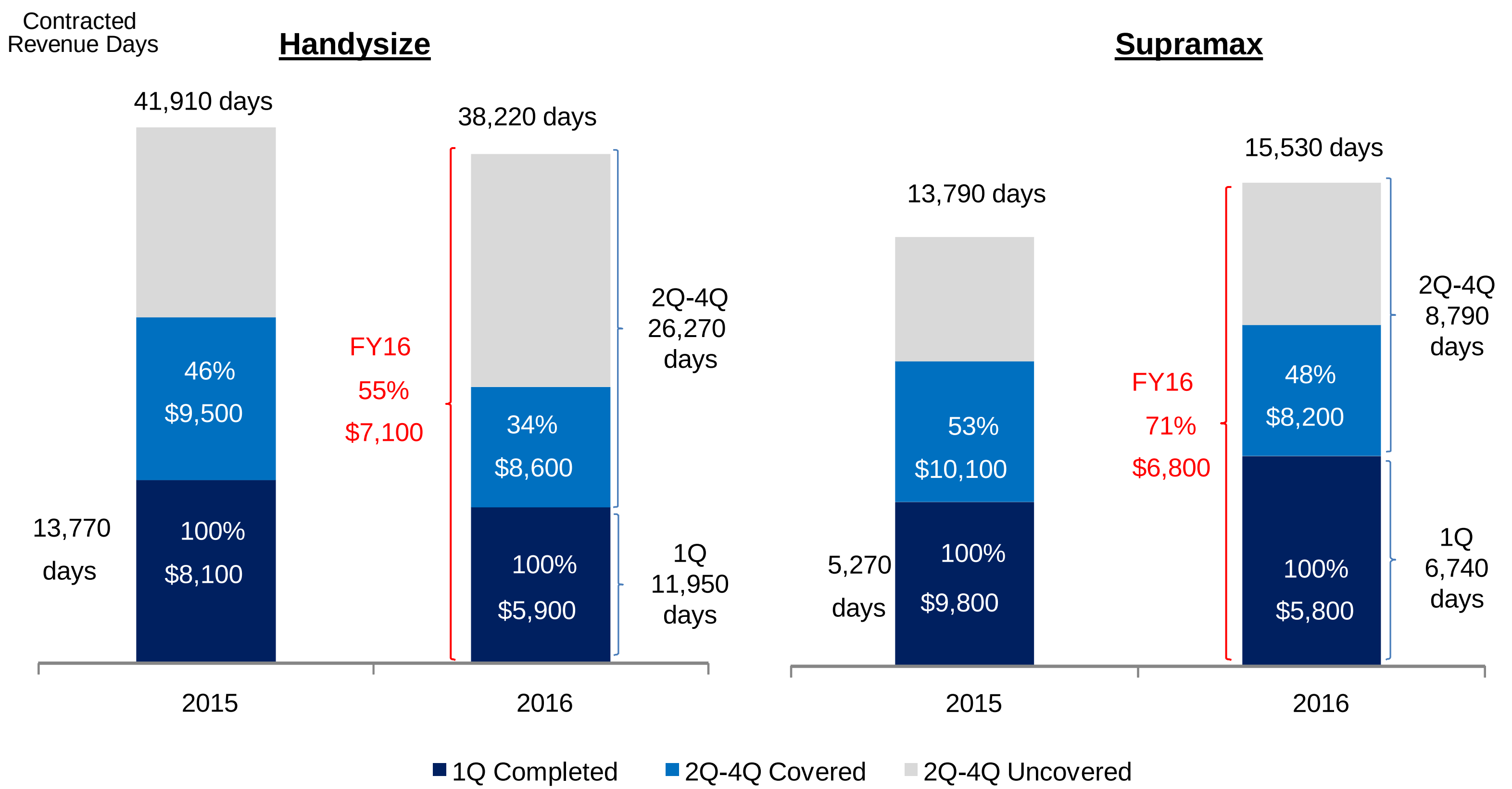
2015 Balance Sheet & Liquidity

31 December 2015

US$m	2015	2014
Cash Position	358	363
Committed but undrawn loan facilities	375	
Remaining Newbuilding Capital Commitments	274	
Net Borrowings	568	
Vessels & Other Fixed Assets	1,611	
Net Gearing	35%	40%

- New US$125million convertible bonds in 1H15, maturity 2021
- US$140million proceeds from RoRo & Towage Sales collected during the year
- US$14million of Towage assets sold with payment & delivery early 2016 and about US$22million of towage assets remains in Middle East
- Repayment of US$230million Convertible Bonds due 2016

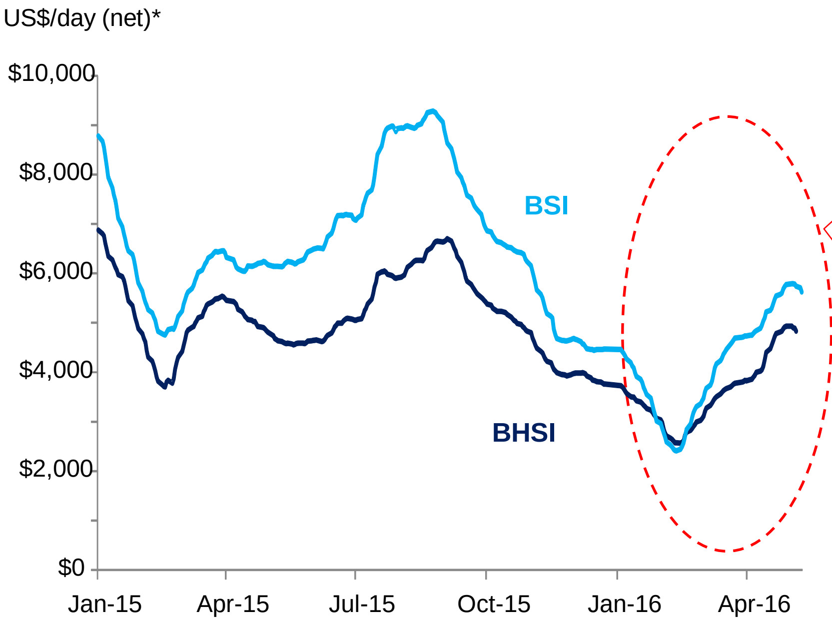
Earnings Cover for 2016

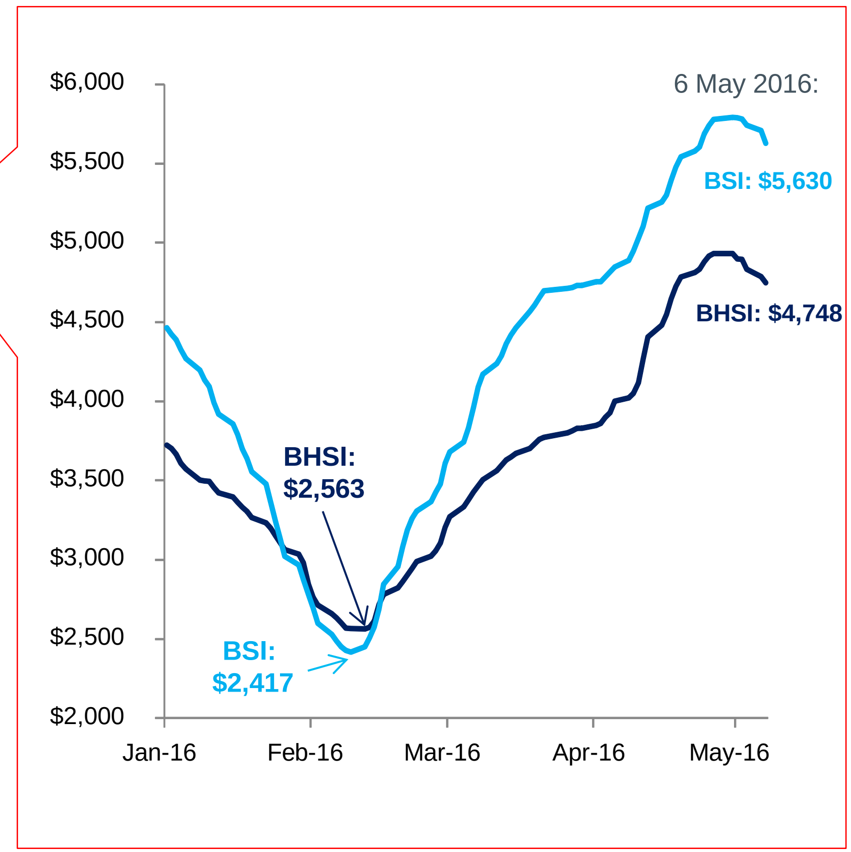


Currency in US$, data as at 31 Mar 2016

Spot Rates Improving from Low Base

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

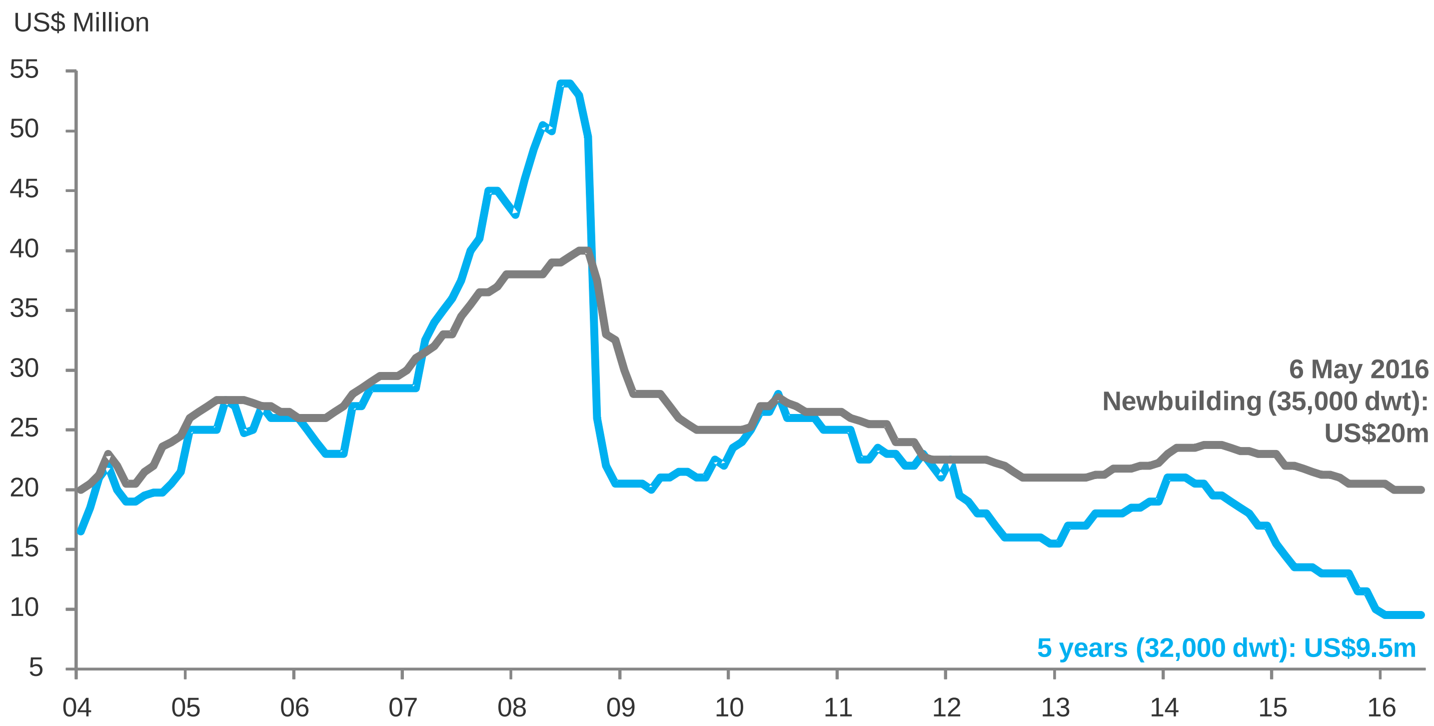




- Market rates have improved for minor bulk ships after seasonally slower winter and Chinese New Year holiday, albeit from a very low base
- Better news from China, commodities prices increasing, second hand values stabilising and higher scrap prices

* excluding 5% commission
Source: Baltic Exchange, data as at 10 May 2016

Handysize Vessel Values



- All time high gap between newbuilding and secondhand values
- Discourages new ship ordering which was negligible in 1Q16

Source: Clarksons Platou

As in Annual Report

Dry Bulk Seaborne Trade in 2015

PB Focus

	(Volume) Million Tonnes	YOY Change
Iron Ore	1,367	2%
Coal	1,149	-5%
Sub major bulk total	2,516	-1%
Bauxite / Alumina	122	16%
Soybean	127	9%
Copper Concentrates	26	8%
Steel Products	322	5%
Sugar	56	4%
Fertiliser	120	4%
Agribulks	162	3%
Forest Products	343	0%
Grains (Wheat)	314	-0.3%
Cement	97	-2%
Manganese Ore	25	-3%
Scrap Steel	101	-4%
Nickel Ore	44	-21%
Others	320	-0.3%
PB focus cargoes total*	2179	2%
Total Dry Bulk	4,695	0%

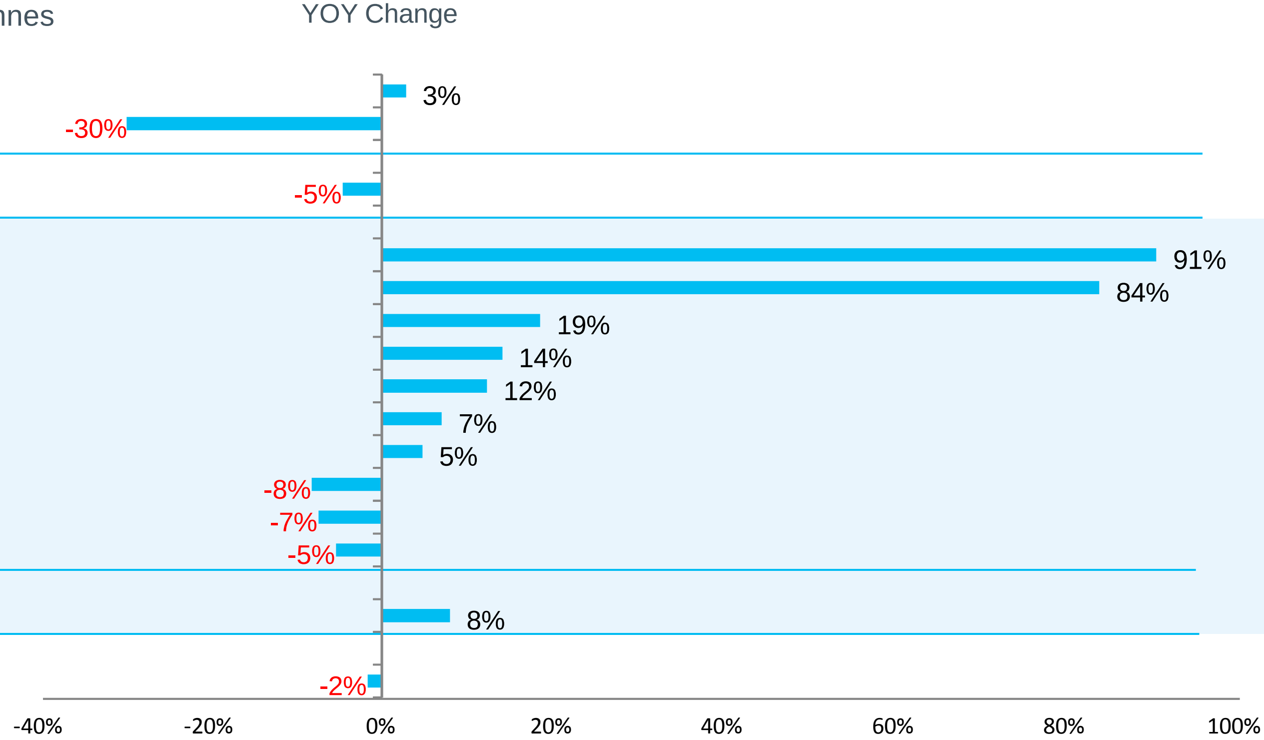
-20% -15% -10% -5% 0% 5% 10% 15% 20%

* Minor bulk trade: 1,588 mil tonnes

Source: Bloomberg, Clarksons Platou

Chinese Seaborne Dry Bulk Imports 2015

	(Volume) Million Tonnes	YOY Change
Iron Ore	940	3%
Coal	188	-30%
Sub Major Bulk Total	1128	-5%
PB Focus		
Other Coarse Grains	22	91%
Maize	5	84%
Fertiliser	21	19%
Soybeans	81	14%
Agribulks	15	12%
Metals	142	7%
Wheat	3	5%
Minerals	34	-8%
Forest Products	51	-7%
Steel Products	16	-5%
PB focus cargoes total	389	8%
Total Chinese import	1517	-2%

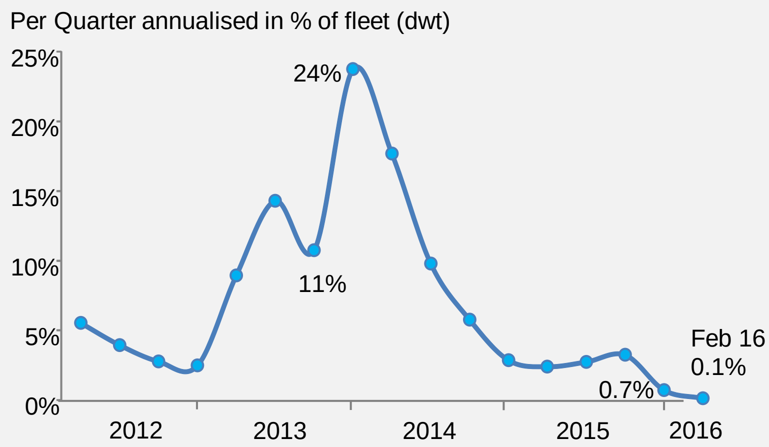


* Chinese Minor bulk trade: 278 mil tonnes

Source: Clarksons Platou

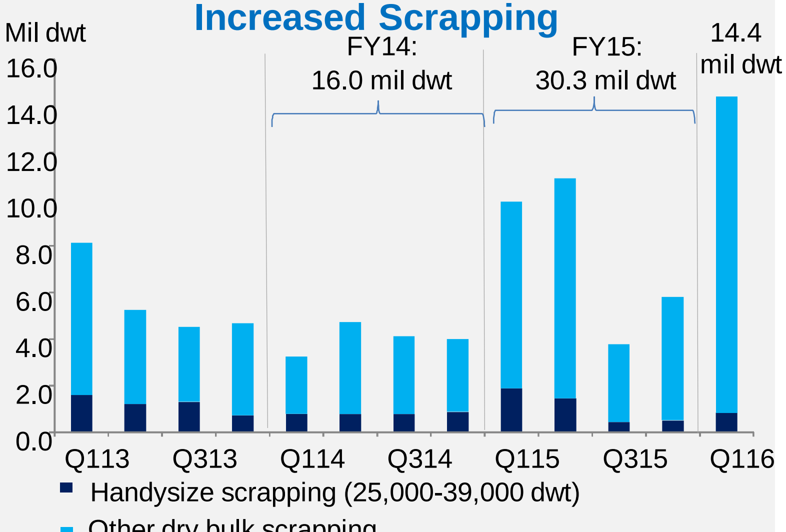
Self Correcting Supply Factors

New Vessel Ordering is Down

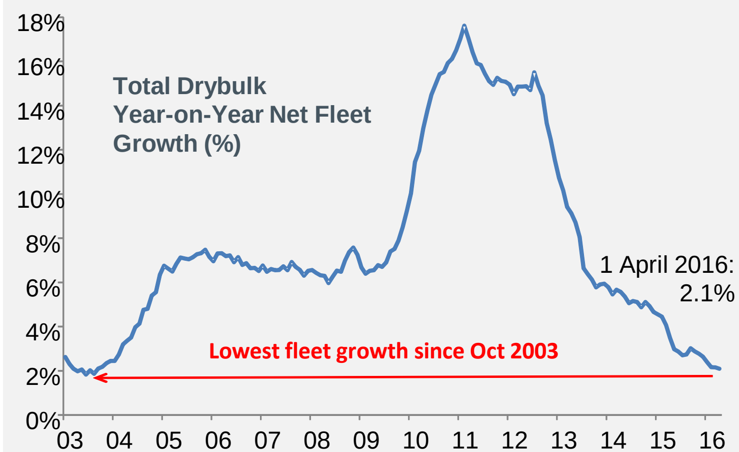


- Number of Chinese yards delivering Handy bulk vessels decreased from 54 in 2012 to 23 in 2015
- Delivery Slippage
- Orderbook Cancellations & Conversions

Increased Scrapping



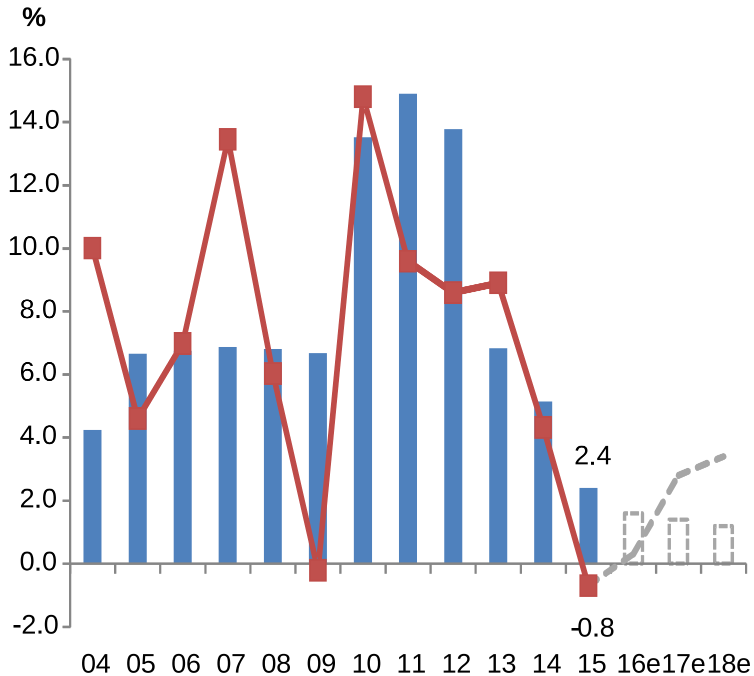
Fleet Growth is Reducing



- Scrapping YTD, if sustained, could lead to net shrinkage of the global fleet in full year 2016

Source: Clarksons Platou, data as at 1 April 2016

Dry Bulk Supply & Demand



Data as in Feb 2016

Supply:

- 1Q16 net fleet growth: 2.1%
- New deliveries partly offset by increased scrapping (Handysize: 2.4% new deliveries vs 1.1% scrapping)
- Low fuel prices
  ➔ increasing ship operating speeds in 3Q15
  ➔ increasing effective shipping supply
- Scrapping YTD indicates potential net shrinkage of the global fleet in full year 2016

Demand based on tonne-mile:

- 2015 overall dry bulk -0.8%; minor bulk: +1.6%

Jan-Feb 2016:

- Chinese steel exports remained at high levels
- Chinese demand for minor bulks ↑ YOY
  - Led by ↑ in bauxite and copper concentrates
- Robust long haul S. American grain exports (due to stronger US$ and Argentina's relaxation of currency & grain export controls)

Source: Clarksons Platou

Pacific Basin

As in Annual Report

2015 Financial Highlights

US$m	2015	2014
Pacific Basin Dry Bulk	**(33.8)**	(39.4)
PB Towage	**6.2**	(15.1)
Others	**(0.2)**	(1.0)
Underlying loss	**(27.8)**	(55.5)
▪ Unrealised derivative income/(expense)	**8.8**	(28.9)
▪ Sale of towage assets	**2.8**	(7.6)
▪ RoRo and towage exchange loss	**(1.5)**	(17.7)
▪ Provision for onerous contracts	**-**	(100.9)
▪ Towage impairments and provisions	**-**	(70.5)
▪ Other impairments and provisions	**(0.8)**	(3.9)
Loss attributable to shareholders	**(18.5)**	(285.0)

- Results in line with 26 Nov 2015 announcement
- Underlying loss cut in half
- Our significantly reduced Towage operation generated US$6.2m profit - US$1.6m from operations and US$4.6m from OMSA transaction

As in Annual Report

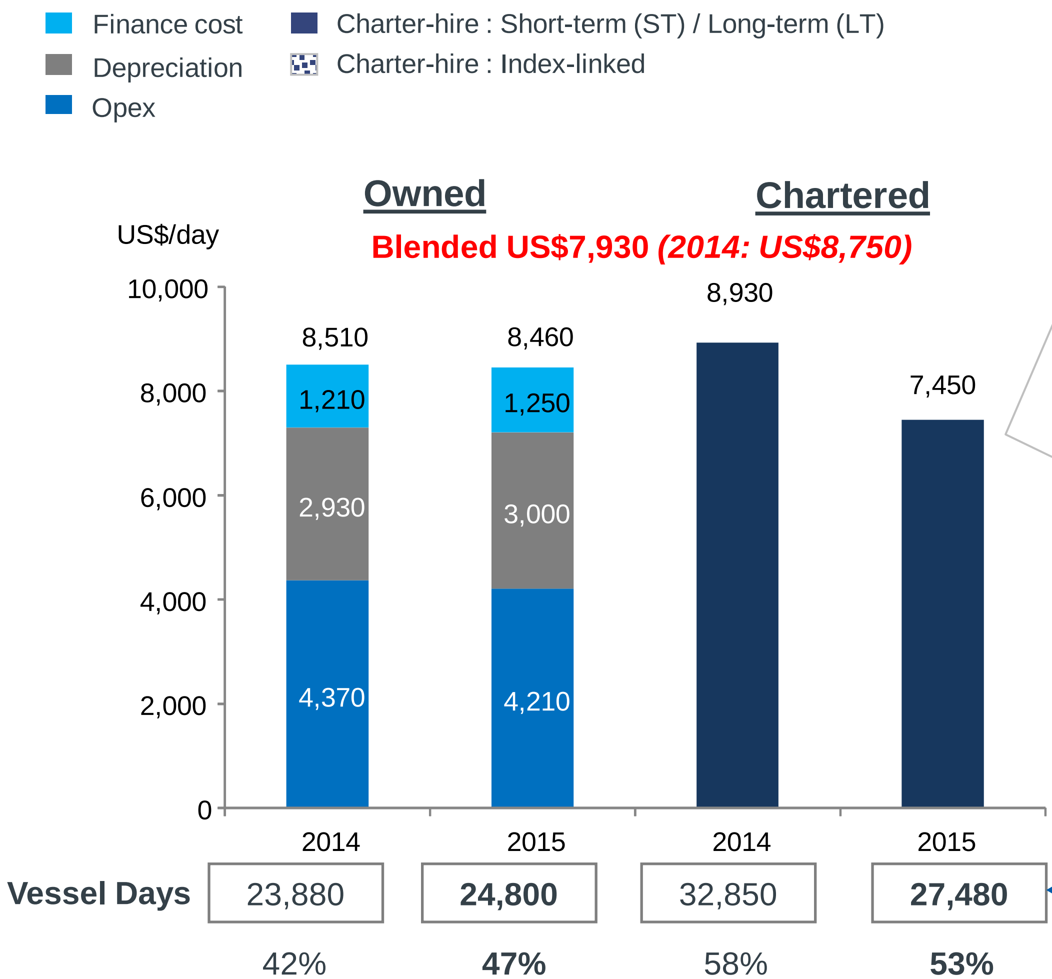
2015 Pacific Basin Dry Bulk

Handysize		2015	2014	Change
Revenue days	(days)	**51,600**	56,210	-8%
TCE earnings	(US$/day)	**7,870**	9,340	-16%
Owned + chartered costs	(US$/day)	**7,930**	8,750	+9%
Handysize contribution	(US$m)	**(8.4)**	28.5	>-100%
Supramax				
Revenue days	(days)	**23,300**	22,410	+4%
TCE earnings	(US$/day)	**9,170**	10,460	-12%
Owned + chartered costs	(US$/day)	**8,190**	11,050	+26%
Supramax contribution	(US$m)	**22.6**	(14.8)	>100%

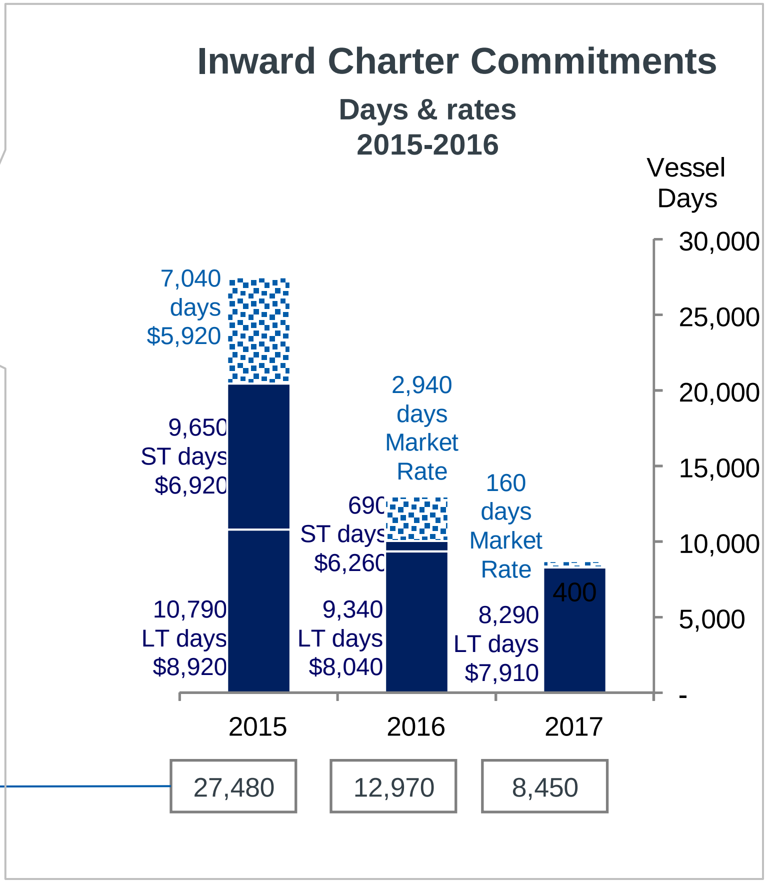
- Weak market condition impacted both Handysize and Supramax TCE
- Significant turnaround in our Supramax performance from:
  - concentrating on key trades;
  - more parcelling;
  - significantly reduced charter-in costs

Pacific Basin

2015 Daily Vessel Costs – Handysize



As at 31 December 2015

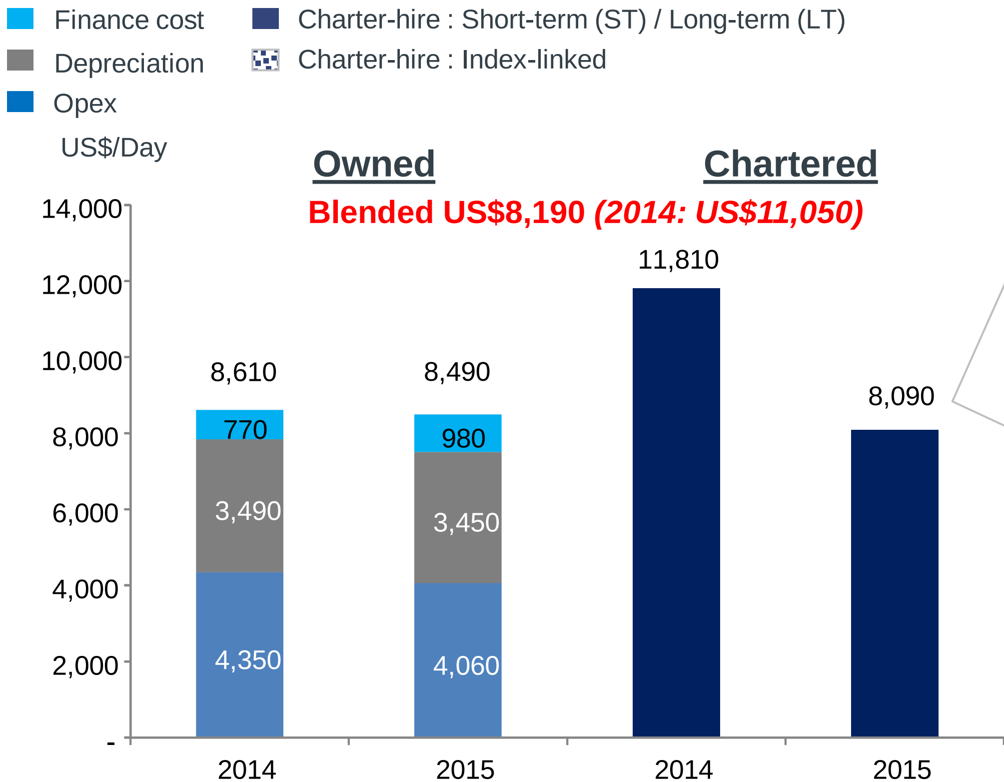


- Overheads of US$710/day including all direct & indirect costs
- Charter-hire cost significantly reduced

* *Chartered rates are shown net of provision*

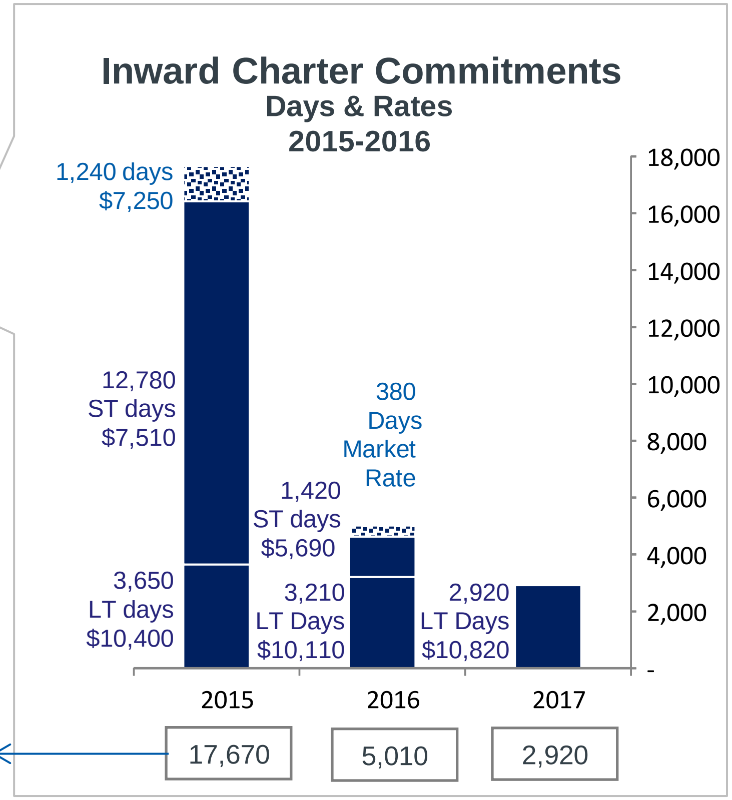
Pacific Basin

2015 Daily Vessel Costs – Supramax



Vessel Days	5,350	**5,660**	17,190	**17,670**
	24%	**24%**	76%	**76%**

As at 31 December 2015



- Overheads of US$710/day including all direct & indirect costs
- Charter-hire cost significantly reduced

** Chartered rates are shown net of provision*

Pacific Basin

As in Annual Report

2015 Balance Sheet

US$m	PB Dry Bulk	31 Dec 15	31 Dec 14
Vessels & other fixed assets	1,578	**1,611**	1,585
Total assets	1,740	**2,146**	2,308
Total borrowings	926	**926**	1,000
Total liabilities	1,118	**1,175**	1,306
Net assets	622	**971**	1,002
Net borrowings (total cash US$358m)		**568**	636
Net borrowings to net book value of property, plant and equipment KPI		**35%**	40%

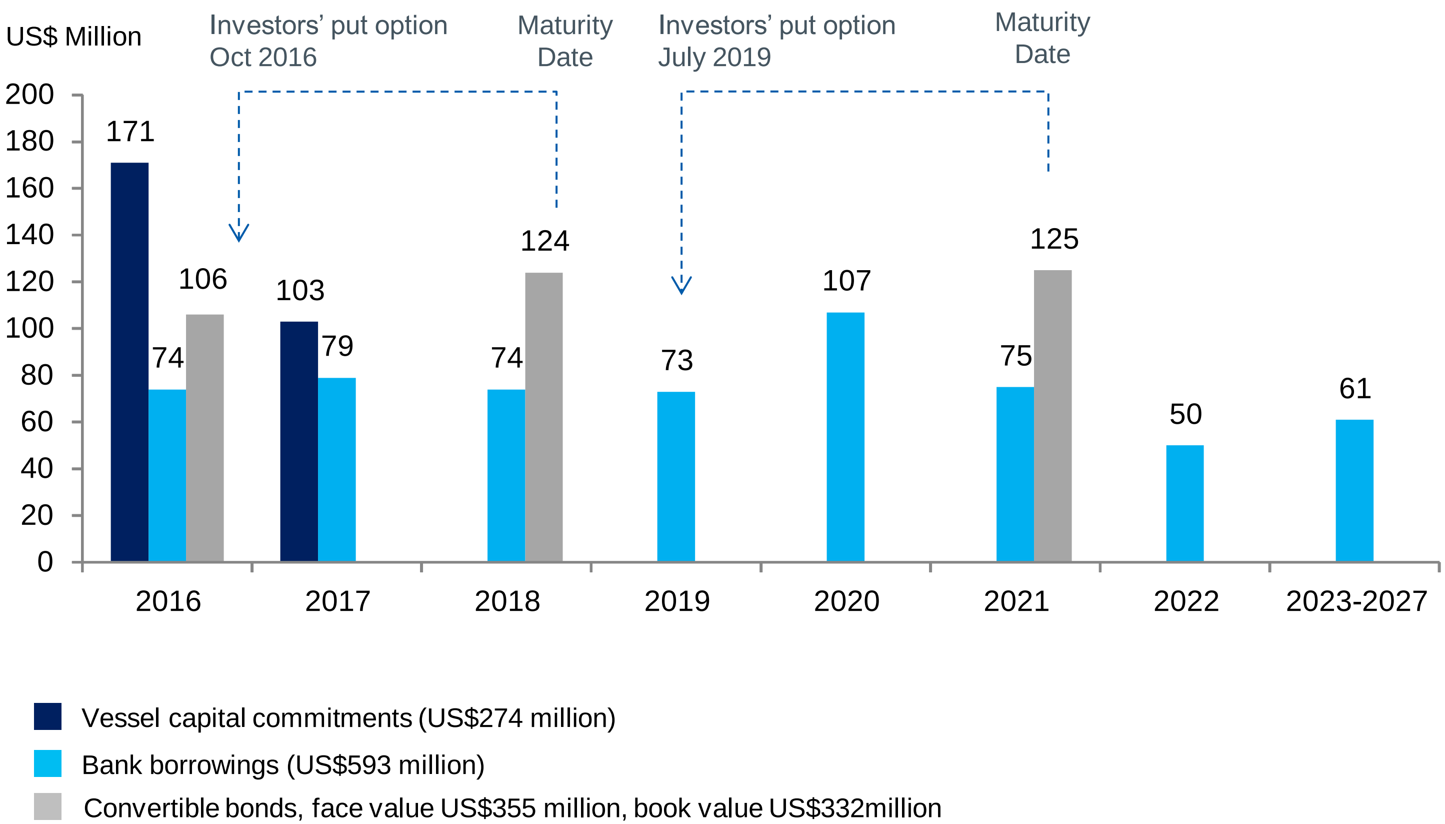
- Vessel average net book value: Handysize $16.2m, 8.4 years, Supramax $22.7m, 6.4 years
- Towage net asset: US$36m
- KPI: net gearing below 50%
- Group in compliance with loan covenants

Note: Total includes other segments and unallocated

Pacific Basin

Borrowings and Capex

As at 31 December 2015



- US$375m of undrawn banking facilities

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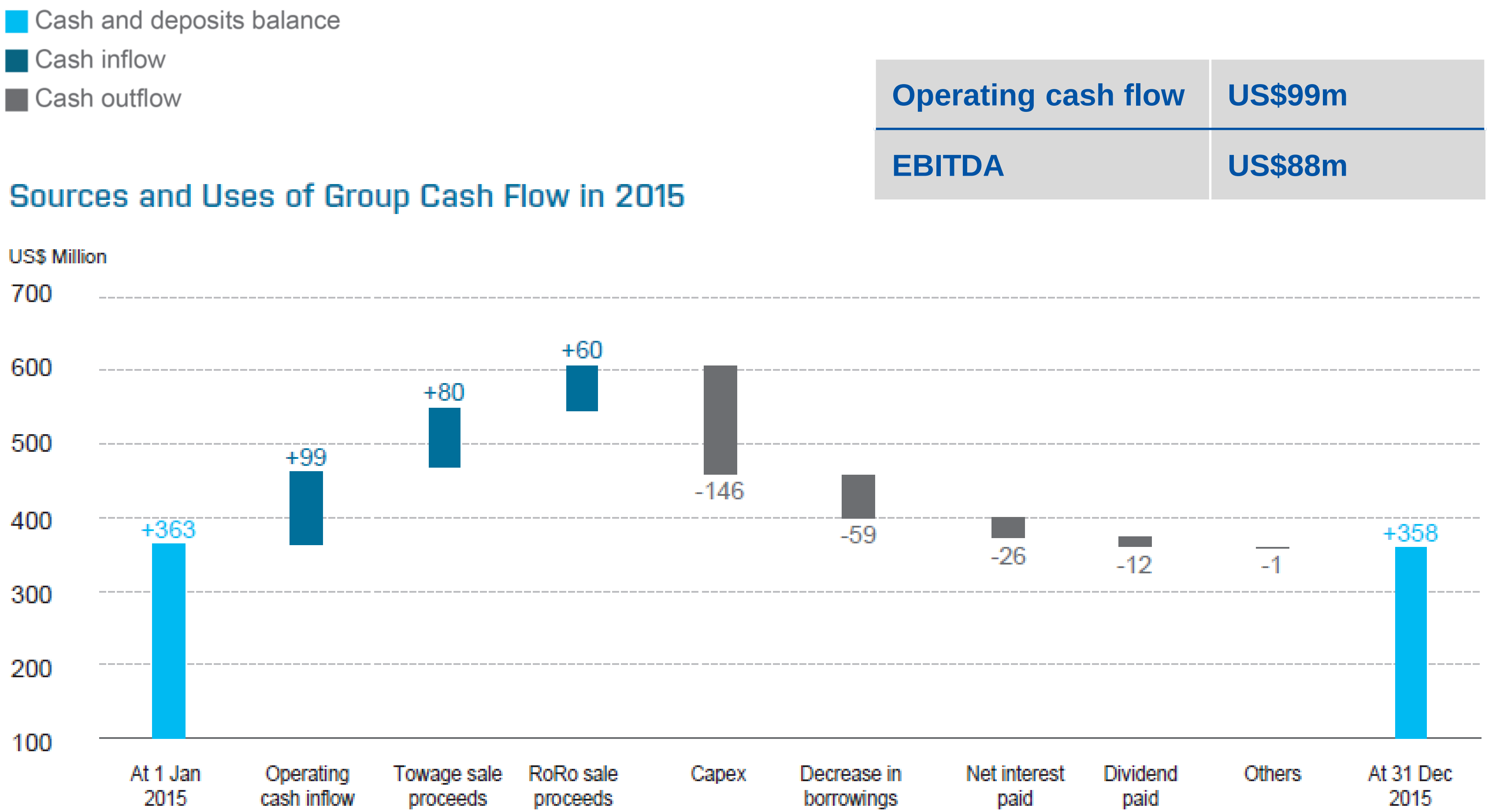
As in Annual Report

Cash Flow in 2015

As at 31 December 2015

Operating cash flow	US$99m
EBITDA	US$88m

Sources and Uses of Group Cash Flow in 2015



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As in Annual Report

Our Outlook and Strategy

Dry Bulk Outlook

- Minor bulk demand is growing and less dependent on China than iron ore and coal. Reduced commodity prices is also stimulating demand.
- The shipping market has a track record of over-reacting in both directions - This is not the end of dry bulk transportation!
- Current market rates below operating cash costs are not sustainable
- Scrapping will be encouraged by low freight rates, cost of routine dry-dockings and new ballast water treatment system requirements
- Negative sentiment and low secondhand values discourage new orders and increase cancellations and postponement of newbuildings
- These self-correcting supply side factors will drive the market to better balance but the timing of the recovery is hard to forecast

Strategy

- Make the most of our business model, customer focus and position as a strong/preferred counterparty.
- Continued focus on cost savings and efficiencies (without compromising safety) and further reductions in vessel costs by redelivery of long and medium term chartered-in ships
- We are managing our business for a continued weak market in the medium term and are prioritising safety and staying power

Pacific Basin Benefits:

Now fully Handy focused

+

Business Model → Premium

+

High-quality predominantly Japanese-built fleet

+

Experienced staff, globally

+

Strong counterparty

→ Well positioned

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

Contact IR – Emily Lau
E-mail: elau@pacificbasin.com
ir@pacificbasin.com
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, Youtube and WeChat!

Appendix:
Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Supramax 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
- Hong Kong headquarters, 12 offices worldwide, 330 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 Jan 2016

Appendix: Strategic Model

MARKET-LEADING CUSTOMER FOCUS & SERVICE

Priority to build and sustain long-term customer relationships

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

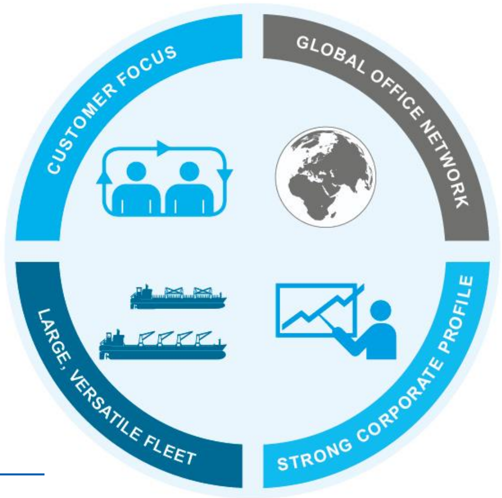
Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit

COMPREHENSIVE 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



LARGE FLEET & MODERN VERSATILE SHIPS

Fleet scale and interchangeable high-quality ships facilitate service flexibility for customers, optimised scheduling and maximised vessel and fleet utilisation

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

STRONG CORPORATE & FINANCIAL PROFILE

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

Strong cash position and track record set 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

Pacific Basin

As in Annual Report

Appendix:
2015 Annual Results – Highlights

	2015	2014
EBITDA	**US$88m**	US$82m
Operating Cash Flow	**US$99m**	US$94m
Underlying Loss	**-US$28m**	-US$56m
Net Loss	**-US$18.5m**	-US$285m

- Reduced losses in one of the weakest dry bulk markets on record
- Positive turnaround of Supramax by focusing trades, growing parcelling business and significantly reduced charter-in costs
- Reduced vessel opex per day through scale benefits & good cost control
- Positive Towage results, RoRo sale fully finalised
- Overall G&A reduced by US$19 million
- Operating more owned ships and redelivering expiring medium and long-term chartered ships to further reduce our daily vessel costs while enabling greater control and service quality

Appendix:
Pacific Basin Dry Bulk – Diversified Cargo

Our cargo volume (1 Jan 2016 - 24 Mar 2016)

Minerals

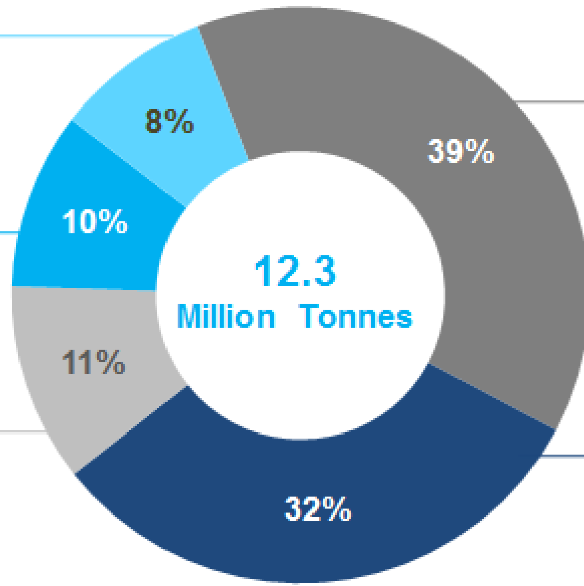
Sand & Gypsum	3%
Salt	4%
Soda Ash	1%

Energy

Coal	4%
Petcoke	5%
Wood Pellets	1%

Metals

Concentrates & Other Metals	7%
Ores	3%
Alumina	1%



Construction Materials

Steel & Scrap	16%
Logs & Forest Products	13%
Cement & Cement Clinkers	10%

Agricultural Products & Related

Grains & Agriculture Products	20%
Fertiliser	9%
Sugar	3%

- 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!

Appendix:
Fleet List – 31 Mar 2016*

Pacific Basin Dry Bulk Fleet: 226

Average age of core fleet: 6.5 years old

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered*	Newbuilding	
Handysize	69	8	56	5	138
Supramax	16	5	64	1	86
Post-Panamax	1	0	1	0	2
Total	86	13	121	6	226

PB Towage : 10

	Owned
Tugs	8
Barges	2
Total	10 *

www.pacificbasin.com
Customers > Our Fleet

Our delivered fleet in operation is defined as the number of owned ships at 31 Mar 2016 + average number of chartered ships in full month of March
** Excluding towage vessels sold but not yet delivered*

Appendix:
Experienced Management - Team

Numbers Indicate Years in Company / Years in Shipping

Chairman & BOD

CEO
Mats Berglund
4/30

Asset Management
Morten Ingebrigtsen
27/30

HR
P.B. Subbiah
13/22

Finance & Accounting, CFO
Andrew Broomhead
13/13

Company Secretary & Risk
Kitty Mok
20/20

Chartering Pacific & Global Handysize
Surinder Brrar
9/31

Chartering Atlantic & Global Supramax
Kristian Helt
14/16

Commercial Operation
Suresh Prabhakar
16/40

CTO, Newbuildings, Insurance
Charlie Kocherla
16/38

Technical & Crewing
Jay Pillai
12/40

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

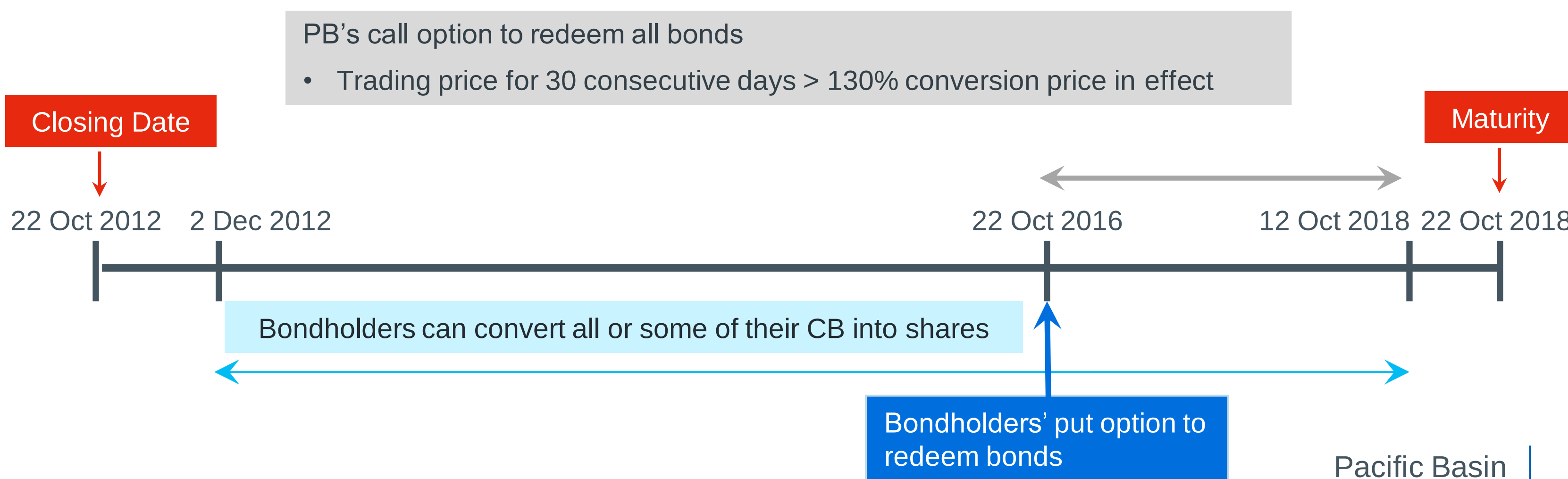
- Adopted recommended best practices under SEHK's CG Code (with quarterly trading update)
- Closely integrated Group strategy and risk management
- Transparency priority
- Stakeholder engagement includes in-depth customer and investor surveys
- Risk management committee interaction with management and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

www.pacificbasin.com
Corporate Governance

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

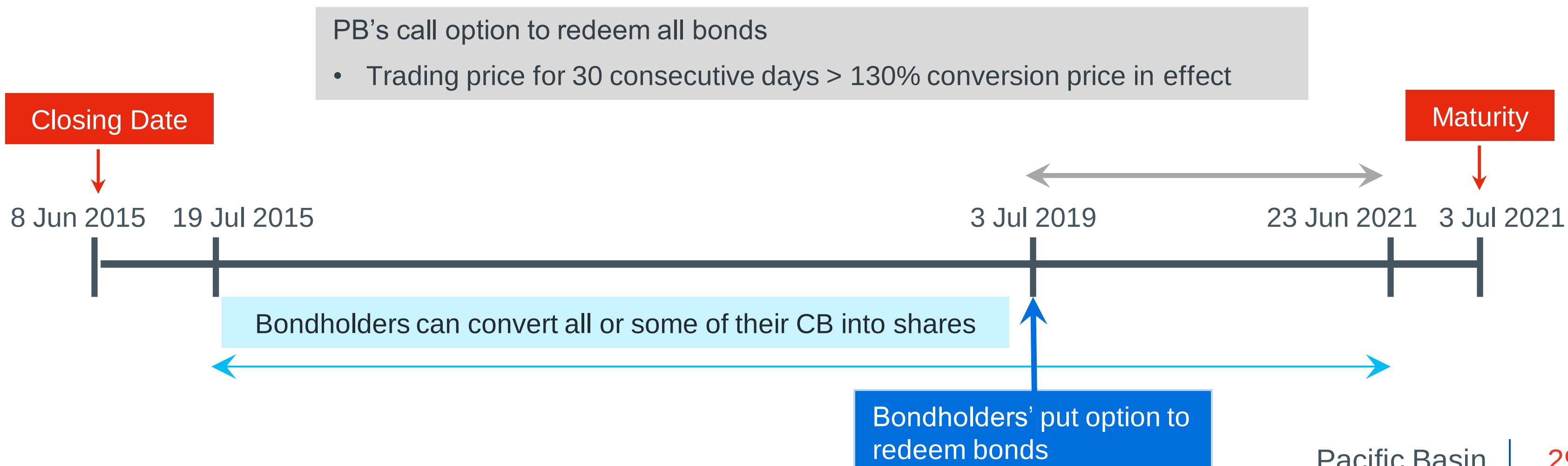
Conversion/redemption Timeline



Appendix: Convertible Bonds Due 2021

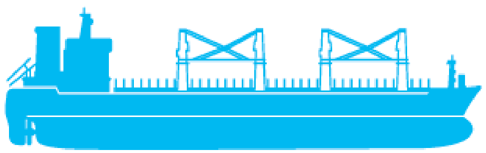
Issue size	US$125 million
Maturity Date	3 July 2021 (approx. 6 years)
Investor Put Date and Price	3 July 2019 (approx. 4 years) at par
Coupon	3.25% p.a. payable semi-annually in arrears on 3 January and 3 July
Redemption Price	100%
Initial Conversion Price	HK$4.08
Intended Use of Proceeds	To maintain 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



Appendix: Understanding Our Core Market

THE DRY BULK SECTOR



Bulk Carriers for dry bulk commodities

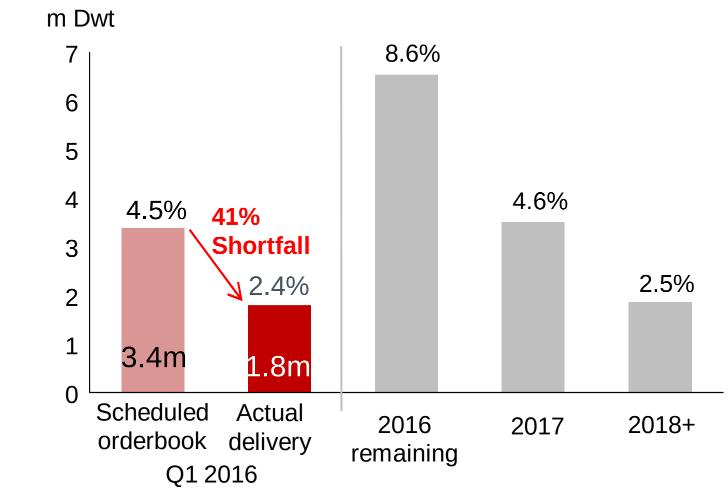
Focus	Category	Bulk Carrier Ship Types	Percentage of Global Dry Bulk Capacity	Versatility	Main Commodities Carried
Our Focus	**Minor bulks** with cranes	**Handysize** 25,000-40,000 dwt	10%	More Versatile	**Minor Bulks** — **Metals**: Ores & Concentrates, Alumina, Bauxite; **Energy**: Coal/Coke, Petcoke; **Minerals**: Salt, Sand & Gypsum; **Agricultural Products**: Grains, Fertiliser, Sugar; **Construction Materials**: Logs & Forest Products, Cement & Clinker, Steel & Scrap; **Other Bulks**
Our Focus	**Minor bulks** with cranes	**Supramax & Handymax** 40,000-65,000 dwt	23%	More Versatile	**Minor Bulks** (as above)
	Major bulks without cranes	**Panamax & Post-Panamax** 65,000-120,000 dwt	27%	Less Versatile	**Major Bulks**: Iron ore, Coal, Grains
	Major bulks without cranes	**Capesize** 120,000+ dwt	40%	Less Versatile	**Major Bulks**: Iron ore, Coal, Grains

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

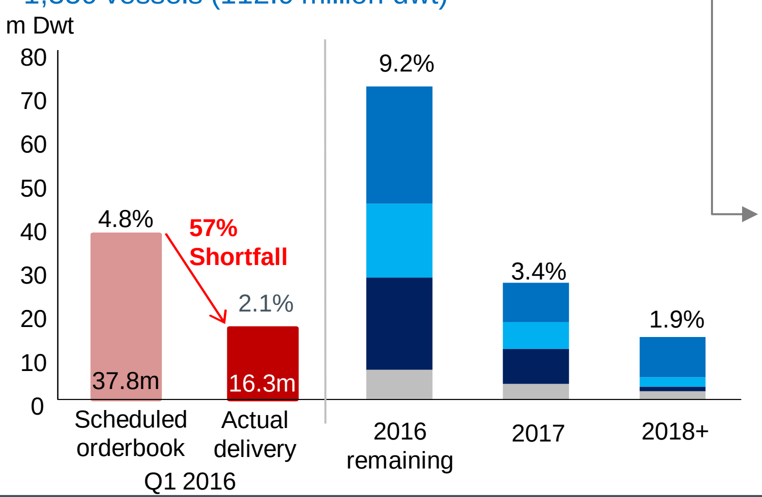
Many ports, many customers, many cargo types, high scope for triangulation

Appendix:
Dry Bulk Supply

Handysize Orderbook
322 vessels (11.9 million dwt)



Total Dry Bulk Orderbook
1,359 vessels (112.9 million dwt)

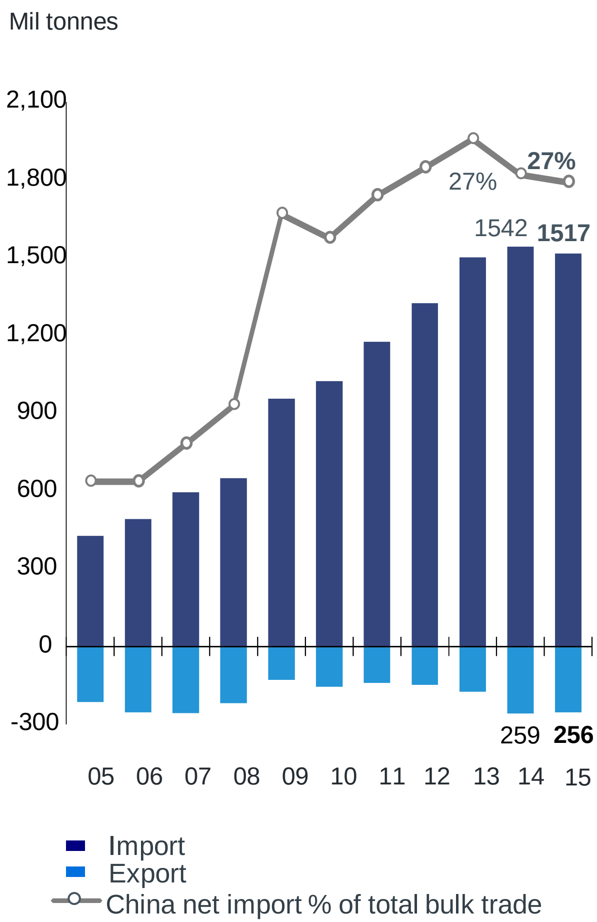


	Orderbook as % of Existing Fleet	Average Age	Over 20 Years	2016 Scrapping as % of Existing Fleet (annualised)
Handysize (25,000-39,999 dwt)	16%	9	11%	4%
Handymax (incl. Supramax) (40,000-64,999 dwt)	17%	8	8%	3%
Panamax (65,000-119,999 dwt)	12%	8	6%	7%
Capesize (120,000+ dwt)	15%	8	8%	9%
Total Dry Bulk >10,000 dwt	15%	9	8%	7%
Total Dry Bulk >15 years			17%	
Handysize >15 years			18%	

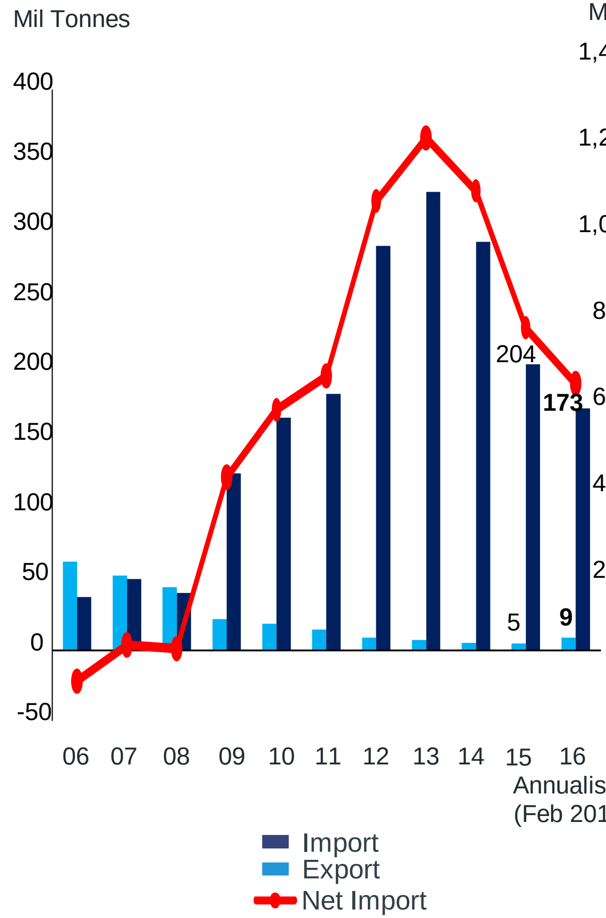
Source: Clarksons Platou, as at 1 Apr 2016

Appendix:
China Dry Bulk, Coal & Iron Ore Trade

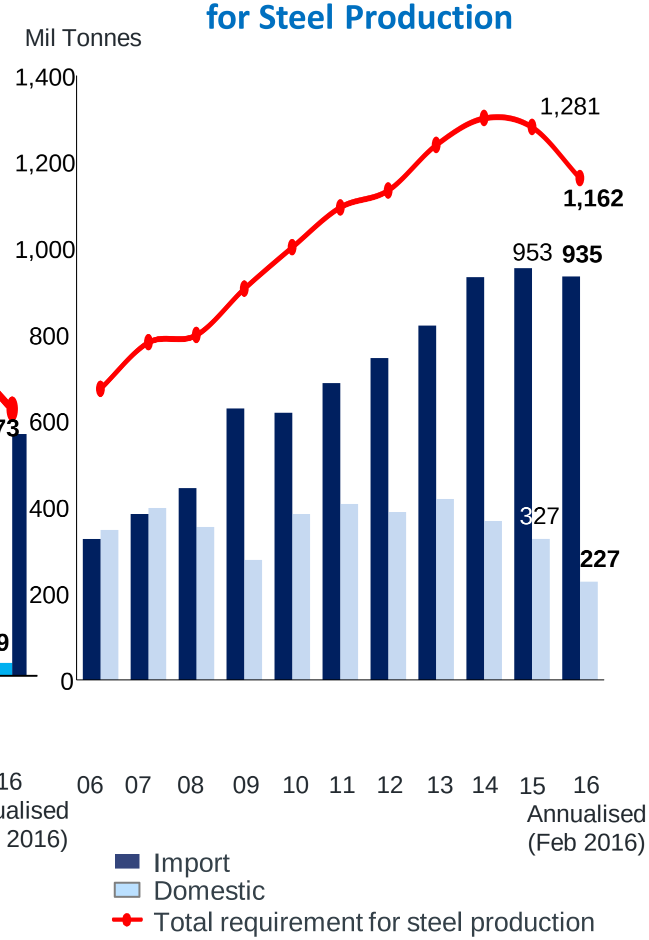
Chinese Dry Bulk Trade



China Coal Trade



China Iron Ore Sourcing for Steel Production



Source: Bloomberg, Clarksons Platou