Daiwa Asian CB Tour 2012– Nov 2012
Hong Kong

Pacific Basin

3Q 2012 Trading Update

18 Oct 2012

2012 Third Quarter Highlights

Pacific Basin Dry Bulk

- Handysize and Handymax spot market rates fell 37% over 3Q which will reduce our 4Q earnings
- 4Q and full-year dry bulk market outlook is bleak
- Our forward cargo cover for FY2012:

  Handysize: 93% covered at US$10,820/day

  Handymax: 96% covered at US$11,760/day
- Global Handysize capacity expanded by only 0.2% net during 3Q

  - significant newbuilding deliveries largely offset by record high scrapping
- Purchased 1 second hand Handysize ship – our first acquisition since Oct 2011

PB Towage

- We expect healthy activity in Australian towage market to maintain our performance into 2013

PB RoRo

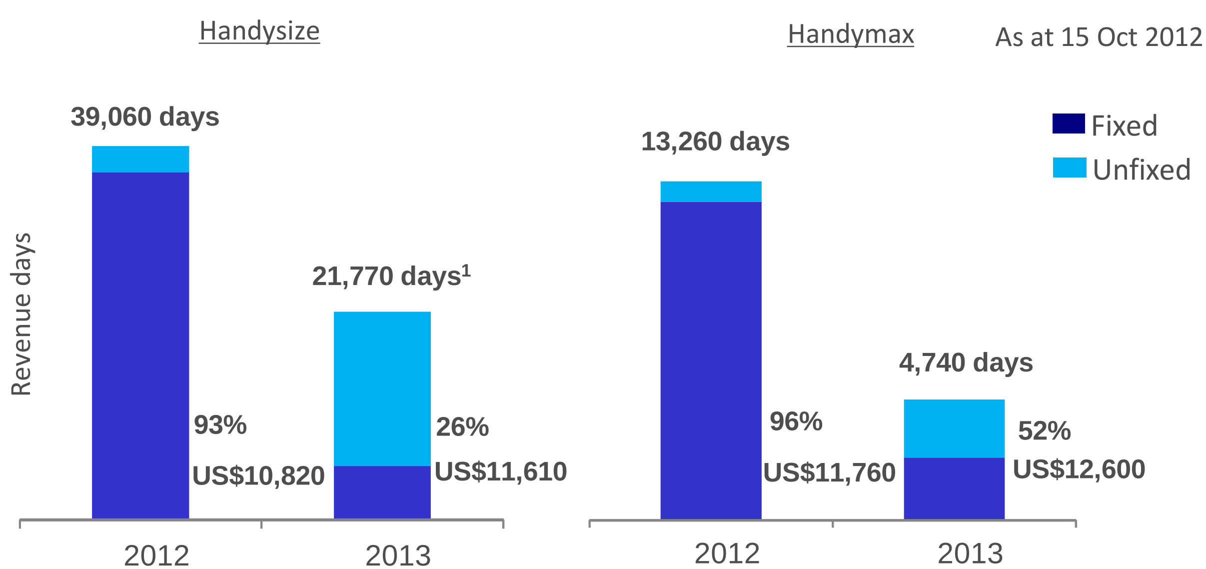
- Our 6 RoRo vessels are being chartered to Grimaldi
- Grimaldi have obligation to purchase at least 1 vessel every 6 months

Financing & Other Development

- Issuing approx. US$124m of new convertible bonds expiring 2018 with cash coupon of 1.875% pa
- Expect to convert our existing Eur162m 12-year RoRo loan facility to a dry bulk loan facility of approx. US$210m - further enhancing our dry bulk vessel buying power

Pacific Basin Dry Bulk - Earnings Coverage

- Our dry bulk business model continues to enable us to outperform the market
- Handysize spot market rates averaged US$7,600/day net YTD



Pacific Basin Dry Bulk Fleet: 183 (on the water: 163) Average Age of our core fleet: 6.4 years old

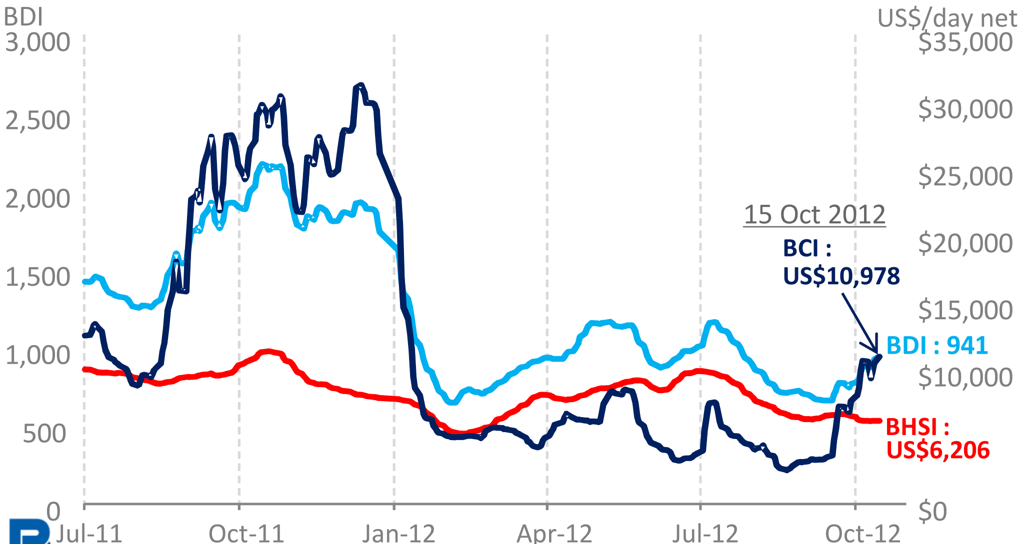
	Owned		Chartered		Total	As at 3Q 2011
	On the water	Newbuilding	On the water	Newbuilding	15 Oct 2012	
Handysize	**32**	**7**	**92[2]**	**5**	**136**	119
Handymax	**3**	**6**	**34**	**2**	**45**	51
Post-Panamax	**1**	**0**	**1**	**0**	**2**	2
Total	**36**	**13**	**127**	**7**	**183**	172

[1] 2013 cover excludes 6,350 revenue days chartered in on index-linked basis
[2] Includes 13 finance lease vessels

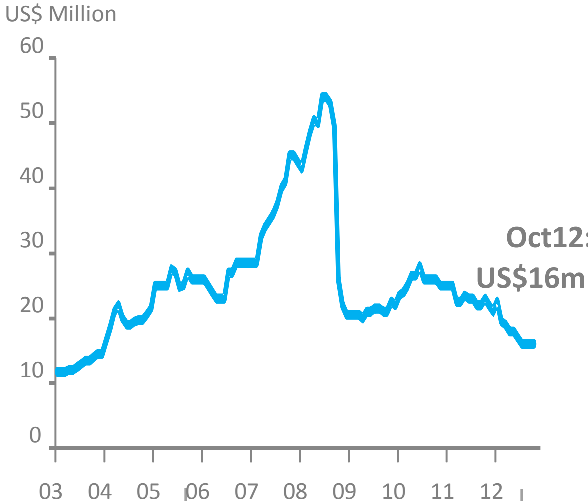
Dry Bulk Market Information

- Growth in global dry bulk trade has failed to match global fleet expansion
  - Weak spot market in 3Q
  - Continued weak outlook for dry bulk in remainder 2012
- Handysize and Handymax spot market rates fell 37% over 3Q
- Handysize and Handymax average freight rates exceeded rates for larger vessels
- Protracted dry bulk market weakness and funding shortages continue to drive down vessel prices
  - Acquisitions look increasingly attractive to well-capitalised owners
- 5 year old Handysize ship values remain down 29% year to date at US$16m

Baltic Dry Index (BDI) versus Baltic Handysize Index (BHSI) & Baltic Capesize Index (BCI)

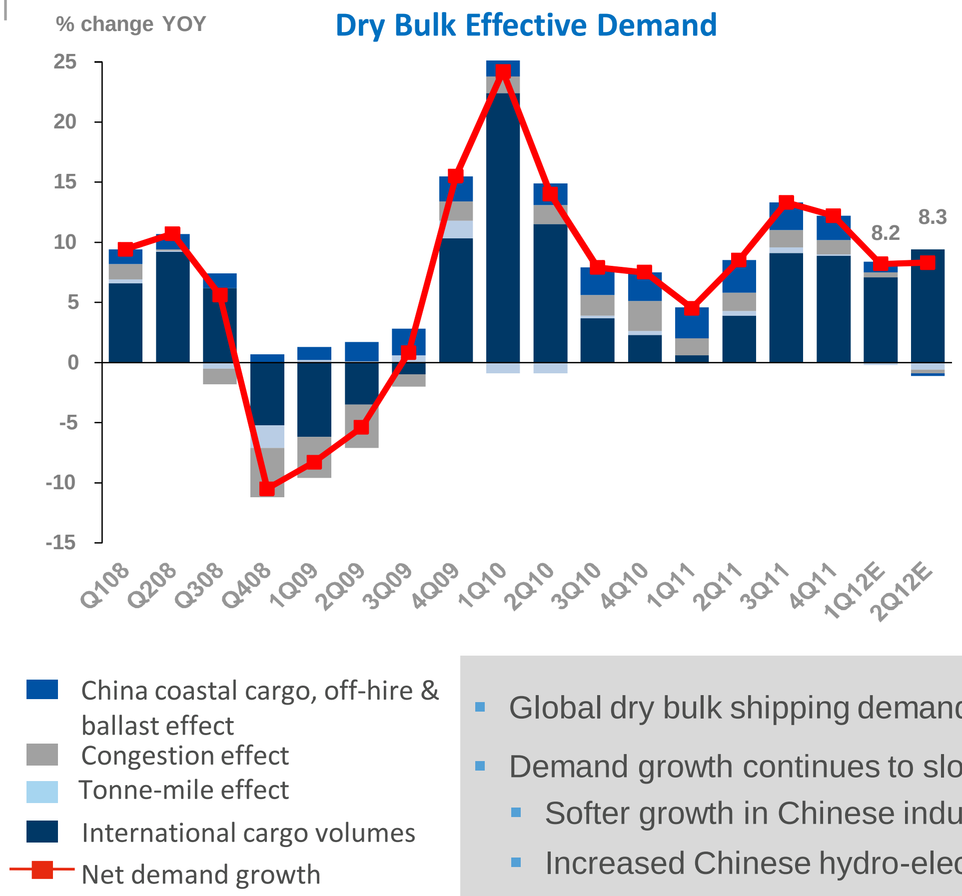


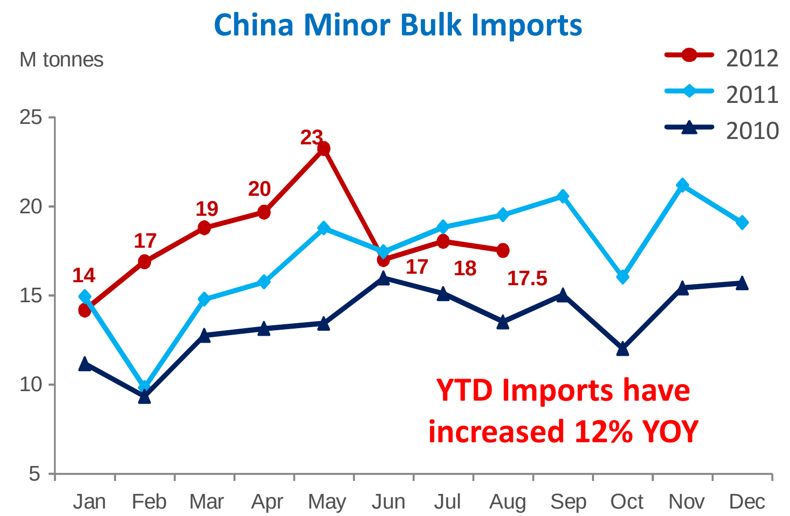
Secondhand Handysize Values (5 year old 32,000 Dwt)



Source: The Baltic Exchange, Clarksons

Dry Bulk Demand





China imports of a basket of 7 important minor bulks : logs, soyabean, fertiliser, bauxite, nickel, copper concentrates and manganese ore.

- Global dry bulk shipping demand has remained significant this year – 1H12 around 8%
- Demand growth continues to slow - influenced by:
  - Softer growth in Chinese industrial production
  - Increased Chinese hydro-electric power output at expense of reduced coal imports
- Expect weaker economic conditions and softer Chinese commodity demand growth to limit seasonal recovery in dry bulk freight rates in remainder 2012

* R.S. Platou estimate

Source: R.S. Platou, China Customs, Bloomberg

Global Dry Bulk Fleet Development

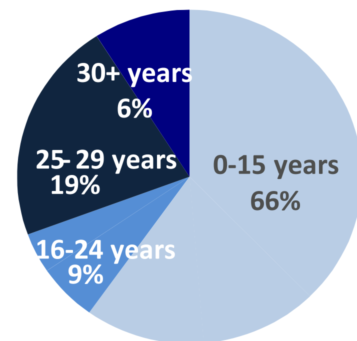
- Fleet grew by:

	Handysize	Dry Bulk overall
3Q12	0.2%	1.5%
Last 12 months	5.0%	12.7%

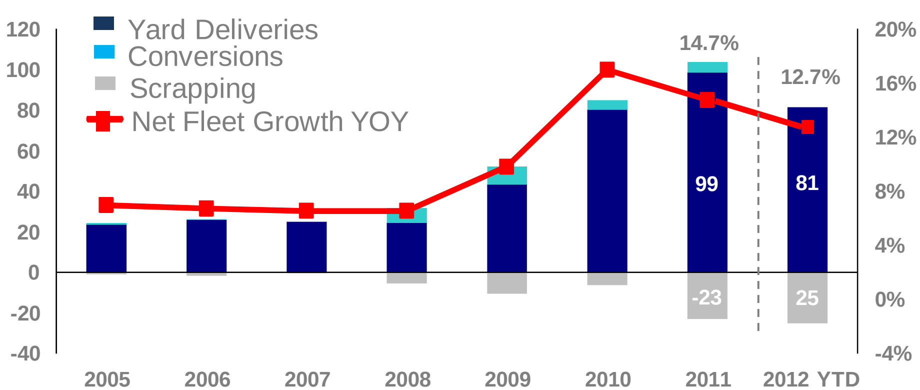
- Driven by the influx of 18m tonnes of new capacity in 3Q (deliveries slowing)
- Heavy influx of newbuildings was partially offset by record-high scrapping (3Q12: 8m)
- 25% of Handysize fleet is over 25 years old

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

2,120 vessels (68.2m dwt)

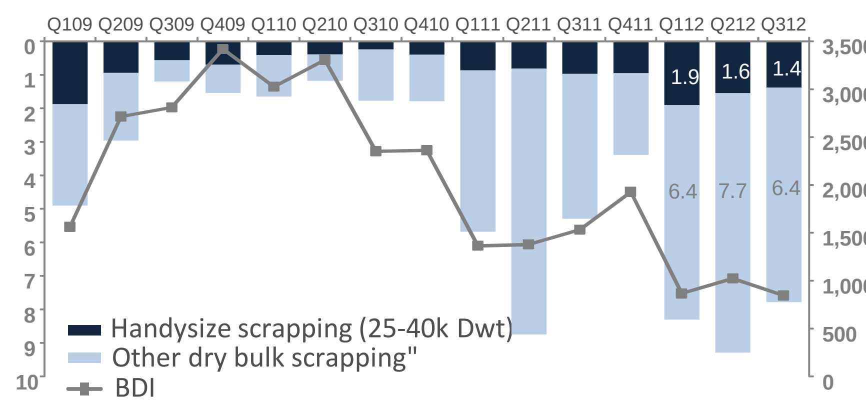


Global Dry Bulk Fleet Development



Source: Clarksons

Dry Bulk Scrapping versus BDI



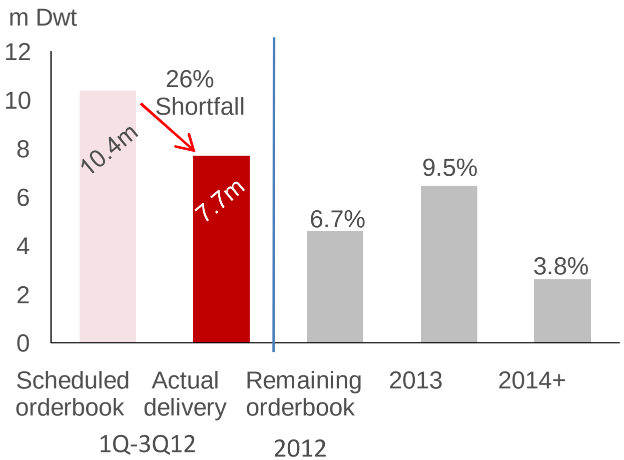
Pacific Basin

Source: Clarksons, Morgan Stanley, Bloomberg, as at 1 Oct 2012
*Scheduled orderbook as at 1 Jan 2012

Dry Bulk Orderbook

Handysize Orderbook

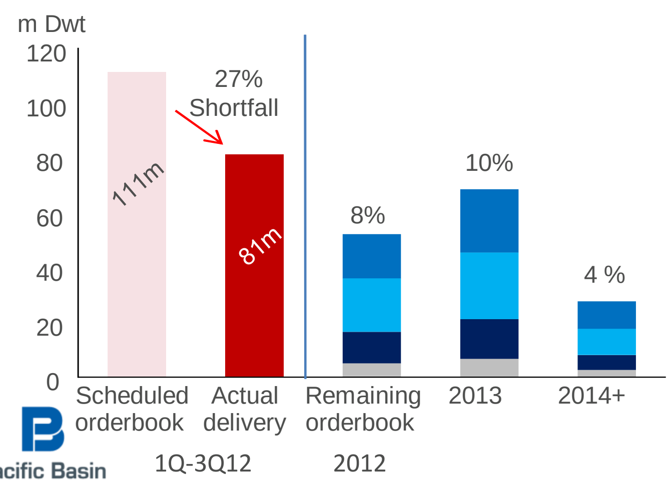
397 vessels (14m dwt)



- Ship owners ordered >54% less new capacity YOY due to weak market conditions
- 139m dwt of new capacity scheduled to deliver in FY12 *
- Newbuilding deliveries of 81m dwt were 27% below the scheduled orderbook at the start of the year – expect approx. 25%-30% slippage in FY2012

Total Dry Bulk Orderbook

1,880 vessels (149m dwt)



		Orderbook as % of Existing Fleet	Average Age	Over 25 Years	Scrapping 1Q-3Q12 (annualised)
Total Dry Bulk >10,000 dwt		**22%**	**10**		**2%**
Handysize (25,000-39,999 dwt)		**20%**	**12**	**25%**	**9%**
Handymax (40,000-64,999 dwt)		**21%**	**9**	**10%**	**6%**
Panamax (65,000-119,999 dwt)		**31%**	**8**	**3%**	**3%**
Capesize (120,000+ dwt)		**19%**	**8**	**2%**	**5%**

Source: Clarksons, as at 1 Oct 2012
*Scheduled orderbook as at 1 Jan 2012

Pacific Basin Dry Bulk - Outlook

- Strong Chinese demand for minor bulk commodities
- Growth in China's dominant share of global bulk imports
- Scope for further recovery in US
- Increased levels of scrapping of older dry bulk capacity
- Severe bank lending constraints limit funding for ship acquisitions, raising barriers to entry and increasing opportunities for cash rich owners

- Continued excessive newbuilding deliveries
- Hesitant global economic recovery impacted by continued crisis in Europe
- Potentially weaker growth in the Chinese economy and industrial production
- Reduced US grain exports due to US drought
- Falling fuel prices reversing slow steaming rend releasing further tonnage capacity in the market

PB Conclusion:

- Despite an expected slow-down in newbuilding deliveries, we expect limited seasonal recovery in dry bulk freight rates in the remainder of the year due to:
  - Weaker economic conditions
  - Generally softer growth in Chinese commodity demand
- 2012 will likely be another year of decline in full-year average market freight rates

Strategy: Invest in further expansion of our dry bulk fleet

PB Towage

3Q12 Performance

- Robust demand for marine construction support is driving strong utilisation of our tug and barge fleet
- Core fleet of offshore tugs and barges have employment cover through 2013
- Expansion of our operational and technical support, targeting tug and barge transportation projects and new harbour towage opportunities

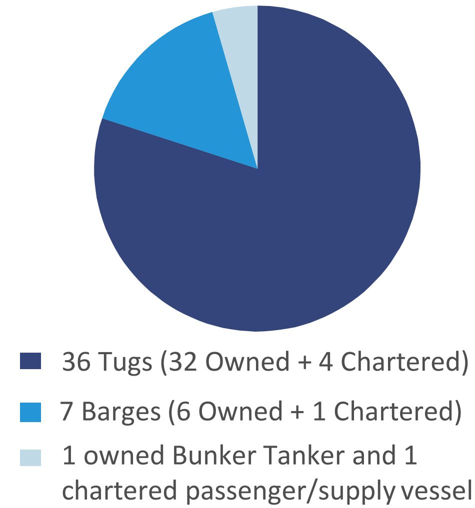
Offshore Towage

- Australian offshore and infrastructure projects on the rise, e.g:
  - Chevron–led Gorgon offshore gas project
  - BG's Queensland Curtis LNG (QCLNG) project in Gladstone
  - Australia Pacific LNG project in Gladstone

Harbour Towage

- Market share is growing in main liner ports; vessel calls in bulk ports increase
- Market conditions in Middle East remain challenging

PB Towage Fleet: 45 vessels
(as at 15 Oct 2012)



	1H12
Towage net profit	**US$14.1m**
Operating cash flow	**US$18.9m**
Return on net assets (Annualised)	**12%**

Pacific Basin

PB Towage - Outlook

- New projects expected to commence in Australasia towards year end in both oil and gas and mining sectors
- Continued improvement in Australian port activity with a relatively strong domestic economy and Chinese demand for primary resources

- Potential further slowdown in Chinese industrial growth impacting Australian commodity exports and port activity
- On-going labour market supply and cost pressures
- Increased supply and pricing competition as new entrants seek to redeploy assets from Asia

PB Conclusion:

- Looking to build on activities both in Australia and potentially further afield, targeting tug and barge transportation projects and new harbour towage opportunities
- Expect Australian towage activity to continue to perform well this year and into 2013

Strategy: strategically committed to our towage business and to growing this division through carefully considered investment

PB RoRo - Latest Developments – Sale of 6 RoRo vessels

- Signed Agreement to sell all 6 RoRo vessels to Atlantica (a Grimaldi Group company)
- Consideration: Eur153m (approx. US$188m)
- Atlantica will purchase at least one vessel by end of each six month period ending 30 June and 31 December in 2013, 2014 and 2015, paying the relevant portion of consideration on respective delivery dates
- All 6 vessels will be bareboat chartered to Atlantica until they deliver into Atlantica's ownership
- Bareboat charter commencement:
  - 2 vessels (built 2011 and 2012 at Odense) commenced
  - 2 vessels (both built 2010 at Hyundai Mipo) expected to commence by 31 Jan 2013
  - 2 vessels (built 2009 and 2011 at Odense) expected to commence around end of 1Q13 (but no later than April 2014) after their current charters expire
- Atlantica has paid Eur10m (approx. US$12.3m) deposit which will be deducted from payment of first vessel purchase price
- Reasons for transactions:
  - Fully addresses our revised RoRo strategy by providing employment and a definite exit timetable for all 6 RoRo vessels
  - Allows us to direct more of our resources to our core dry bulk and towage businesses

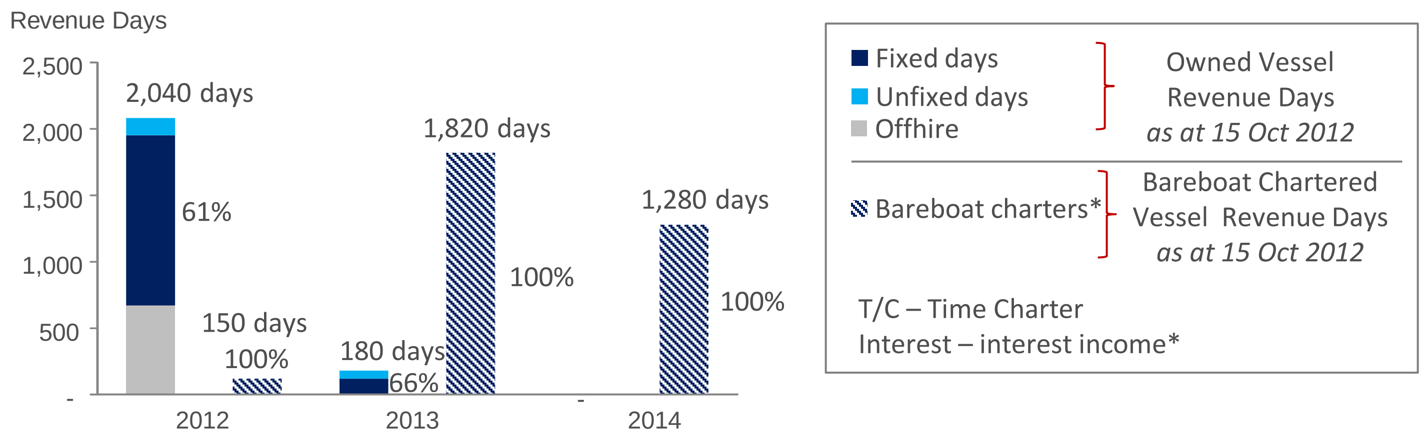
PB RoRo

1H12 Performance

- Severe weakness in the RoRo charter market
- Achieved average daily charter rates of US$19,450 on utilisation of 55%

	1H12
PB RoRo net loss	**US$(8.5)m**
Operating cash flow	**US$(0.8)m**
Return on net assets (Annualised)	**-12%**

Earnings Coverage after sale of 6 RoRo vessels (as at 15 Oct 2012)



Estimated earnings development (US$)	T/C	interest	T/C	interest	T/C	interest
	$21.1m	$0.6m	$1.5m	$8.5m	-	$6.1m

Note:

- US$ Group income will depend on the average Euro exchange rate in the year earned
- *Estimates are based on exchange rate of US$1.228 to Eur1.0

PB RoRo – Estimated Financial Impact of Sale

As at 7 Sep 2012
(RoRo announcement)

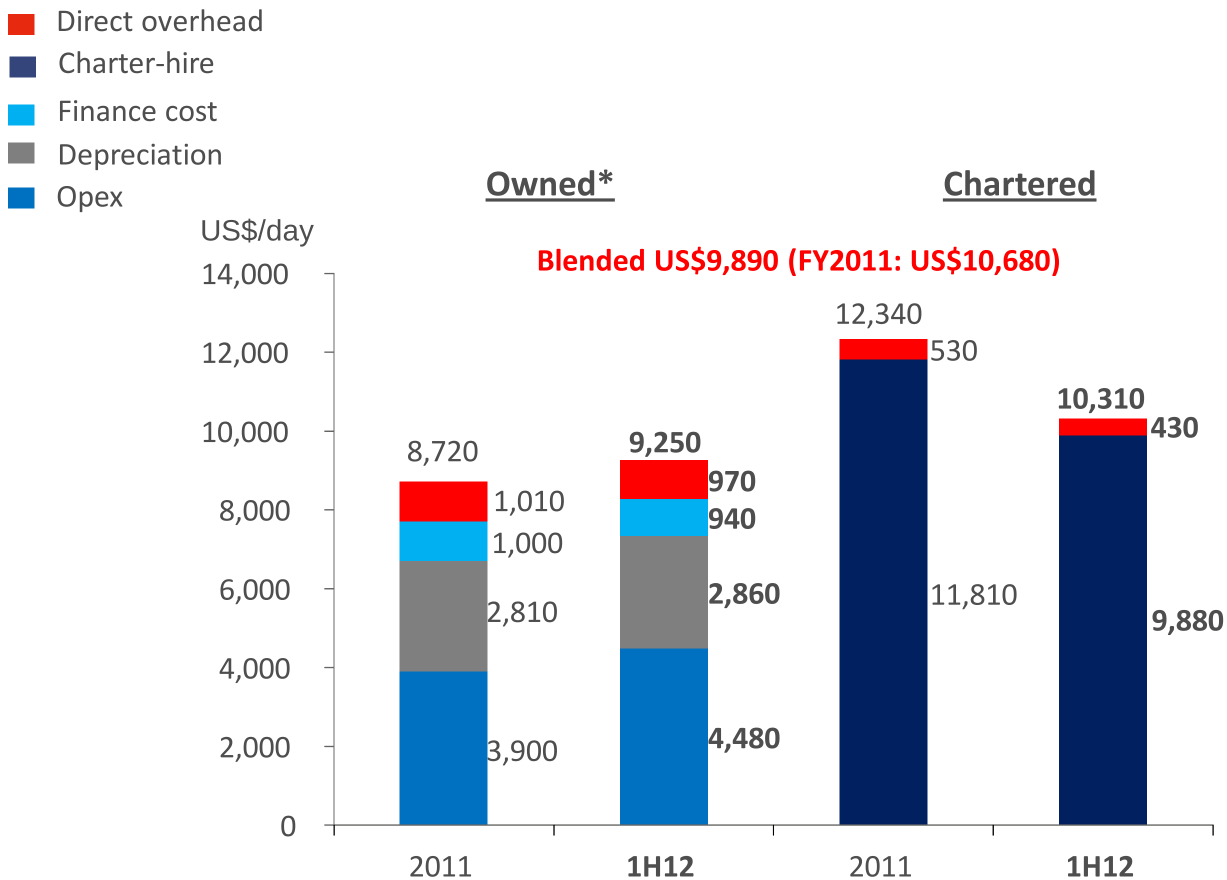
Estimated financial effect of 6 vessel sale
on PB consolidated P/L :

US$m	2012	2013	2014	2015	Total
Interest income	0.6	8.5	6.1	2.7	17.9
Additional impairment charge	(0.4)	-	-	-	(0.4)
Group non-cash exchange losses transferred to P/L	(11.1)	(16.5)	-	-	(27.6)
Total	(10.9)	(8.0)	6.1	2.7	(10.1)

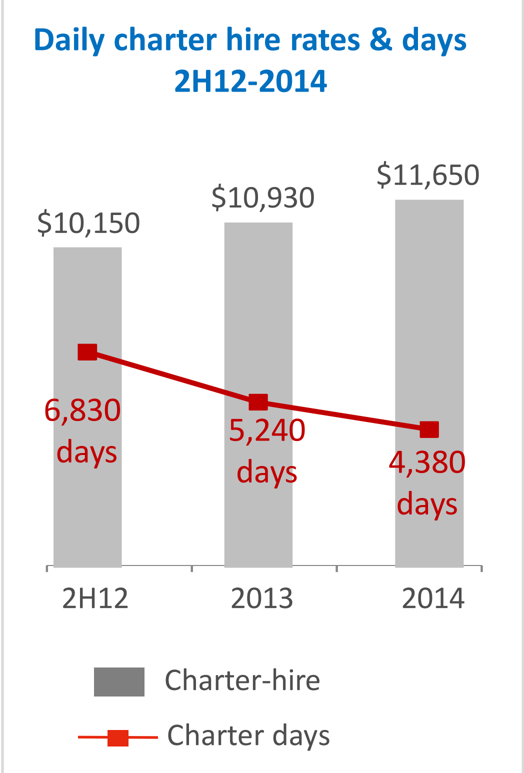
- Carrying value of 6 vessels immediately after additional impairment charge will be US$174m – to be reclassified as “assets held for sale”
- Each vessel sale will result in the release of the cumulative foreign exchange reserve (relating to the translation of Euro-denominated net asset value of each vessel’s owning company to US$) to the consolidated PB’s P/L (Exchange losses) at the bareboat charter commencement date
- Estimates are based on exchange rate of US$1.228 to Eur1.0

Daily Vessel Costs - Handysize

As at 30 Jun 2012



	2011	1H12	2011	1H12
Vessel Days	**15,070**	**7,640**	**17,890**	**11,780**
	46%	**39%**	**54%**	**61%**



* Includes 13 finance lease vessels

Balance Sheet

US$m	PB Dry Bulk	PB Towage	PB RoRo	Treasury	30 Jun 12	31 Dec 11
Vessels & other fixed assets	969	207	178	-	**1,360**	1,525
Total assets	1,192	299	184	572	**2,306**	2,432
Long term borrowings	289	32	44	487	**853**	779
Total liabilities	424	54	48	491	**1,046**	947
Net assets	768	245	136	81	**1,260**	1,485
Net borrowings					**196**	161
Net borrowings to net book value of property, plant and equipment					**14%**	11%

Notes:

1) 1.875% Convertible Bonds due 2018 will add US$122m net proceeds in October 2012

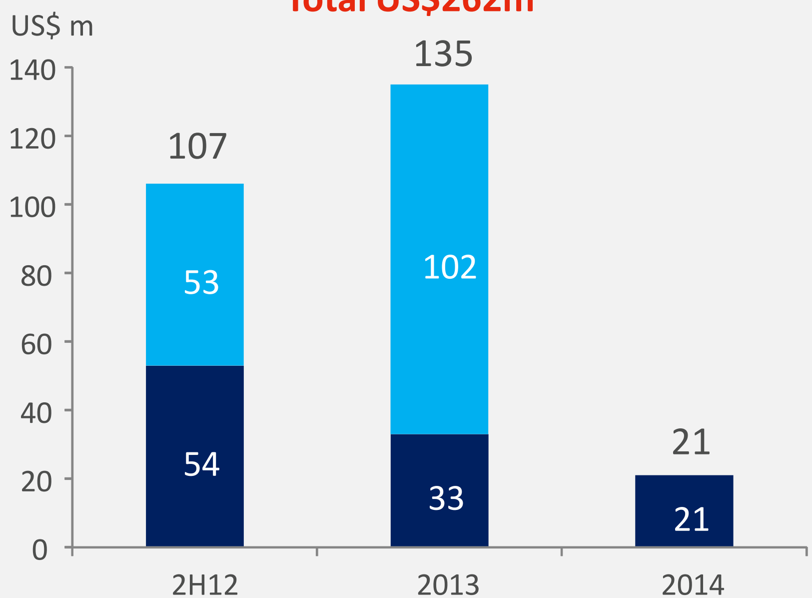
2) 30 June 2012 total includes other segments and unallocated

Capex and Combined Vessel Value

As at 30 Jun 2012

Vessel Commitments

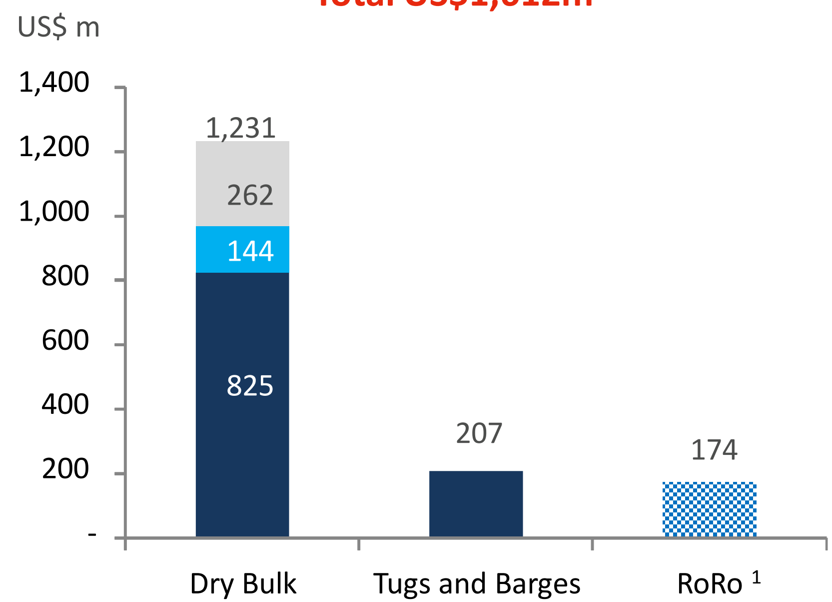
Total US$262m



- Handysize: 8 ships, US$107m
- Handymax: 6 ships, US$155m

A Combined View of Vessel Carrying Values and Commitments

Total US$1,612m [1]



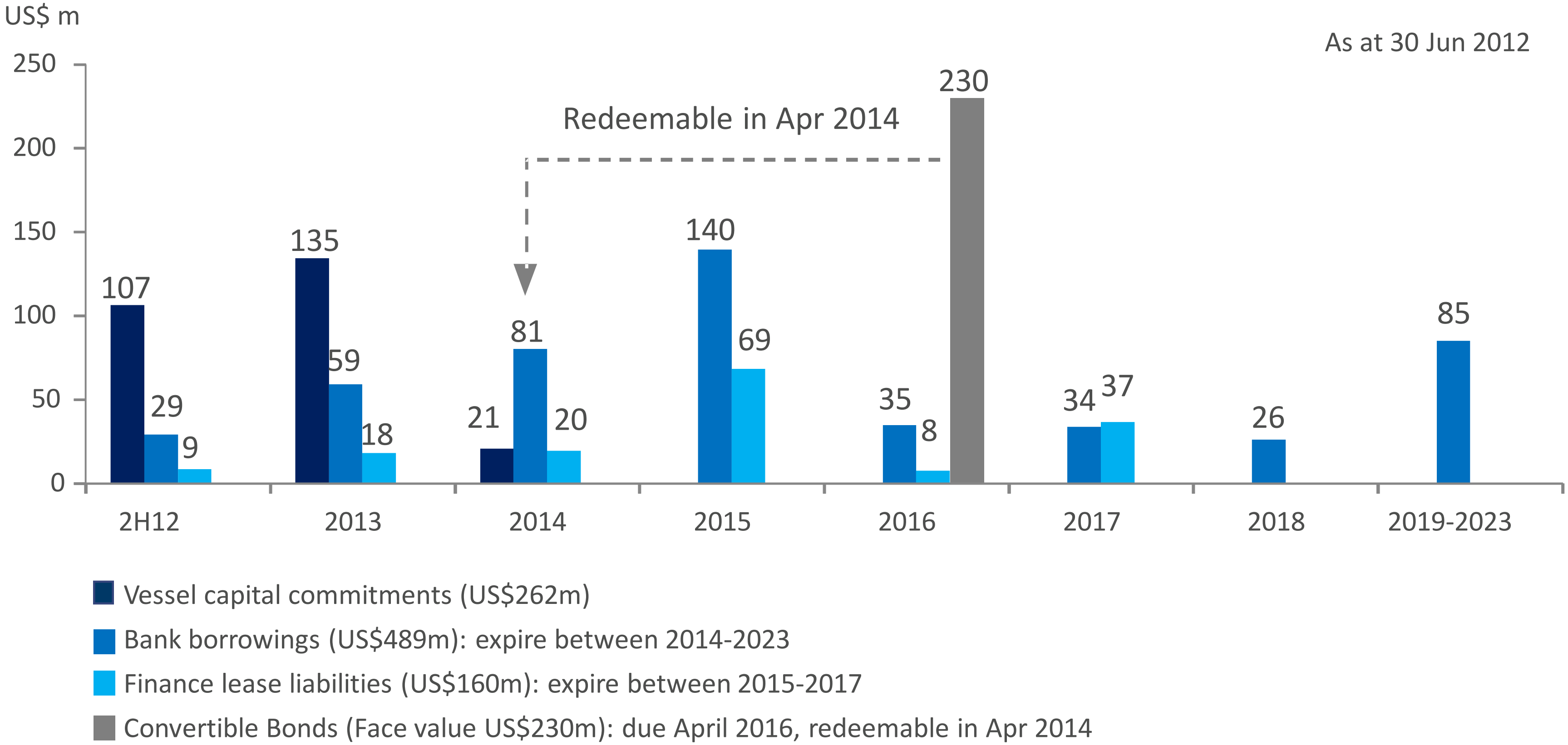
Vessel carrying values:	US$1,032m
Progress payment made:	US$144m
Future installments amount:	US$262m
Assets held for sale:	US$174m

[1] Following 7 Sep 2012 announcement of 6 RoRo vessel sale

- Further commitments expected in Dry Bulk

Borrowing and Capex

- The Group had cash balances of US$657m, borrowings of US$853m and a net borrowings ratio of 14% against the Net Book Value of property, plant and equipment post impairment
- October 2012: issued new 1.875% Convertible Bonds due Oct 2018 with Oct 2016 put date



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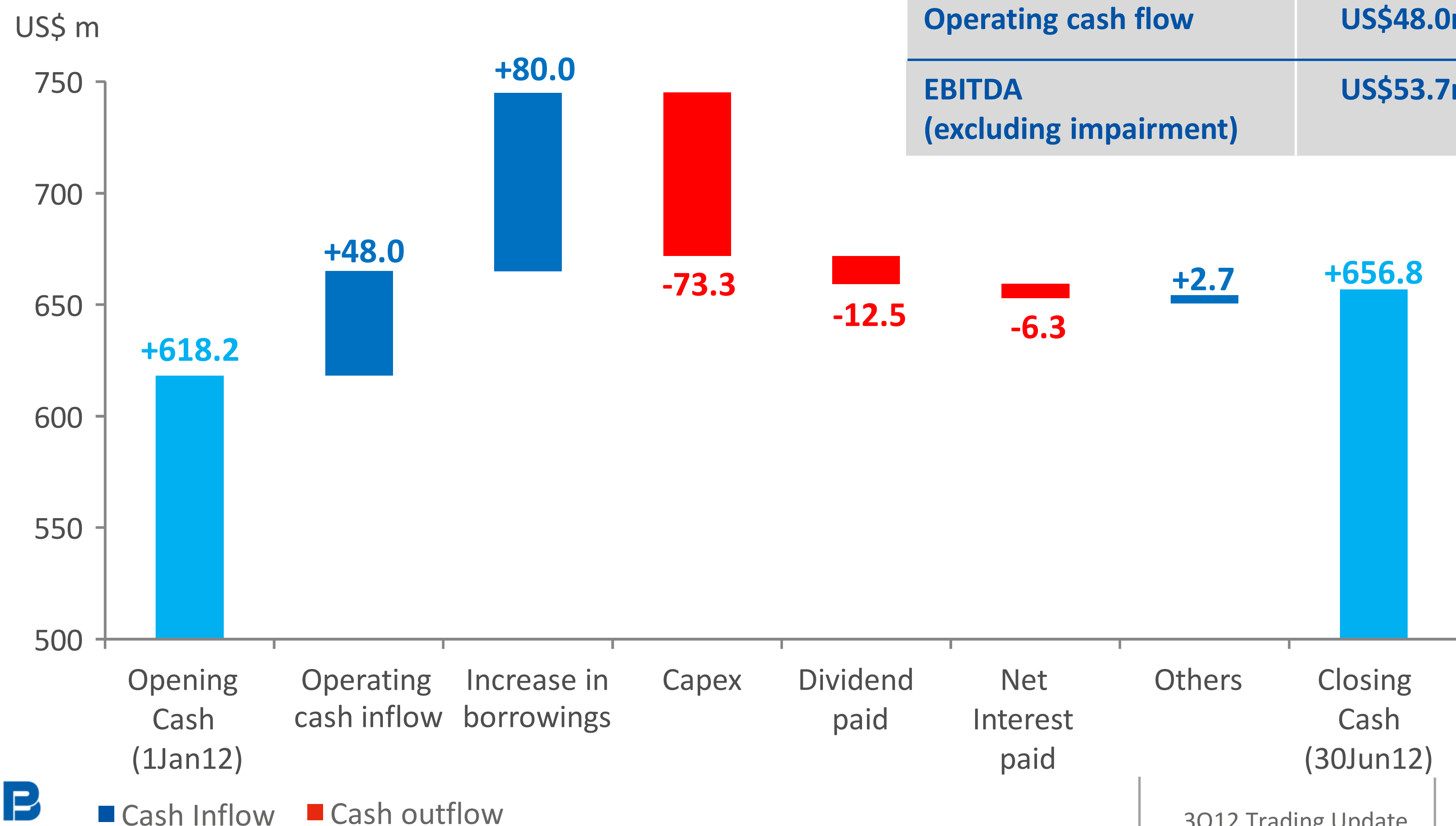
Cash Flow

First Half 2012 Sources and Uses of Group Cash Flow

Operating cash flow	US$48.0m
EBITDA (excluding impairment)	US$53.7m



Our Position, Outlook, and Strategy

Dry Bulk

- Strong cargo and customer focused business model – Outperforming both market and larger ships
- Capacity expansion, slower Chinese growth and uncertainty in global trade
- Expect weaker freight rates overall in 2012 than 2011
- Protracted dry bulk market weakness and significant contraction in funding will eventually generate opportunities for cash-rich ship owners like ourselves
- **Strategy: Continue to build our dry bulk fleet – This is where most of our investments will take place**

Towage

- Well positioned and expect further improvement in the medium term
- Towage outlook remains positive with growing service to Australian LNG projects
- **Strategy: Grow our towage division through carefully considered investments in both the project and harbour sectors, as specific projects materialise**

RoRo

- Continue to manage the vessels in an efficient manner until they all deliver to Grimaldi Group

Other Business Highlights

- **Consider opportunities for further divestment of non-core businesses**

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

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- **Company Website - www.pacificbasin.com**
  - Corporate Information
  - CG, Risk Management and CSR
  - Fleet Profile and Download
  - Investor Relations:
    financial reports, news & announcement, excel downloading, awards & media interviews, stock quotes and dividend history, corporate calendar and glossary
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Pacific Basin

Appendix: Pacific Basin Overview

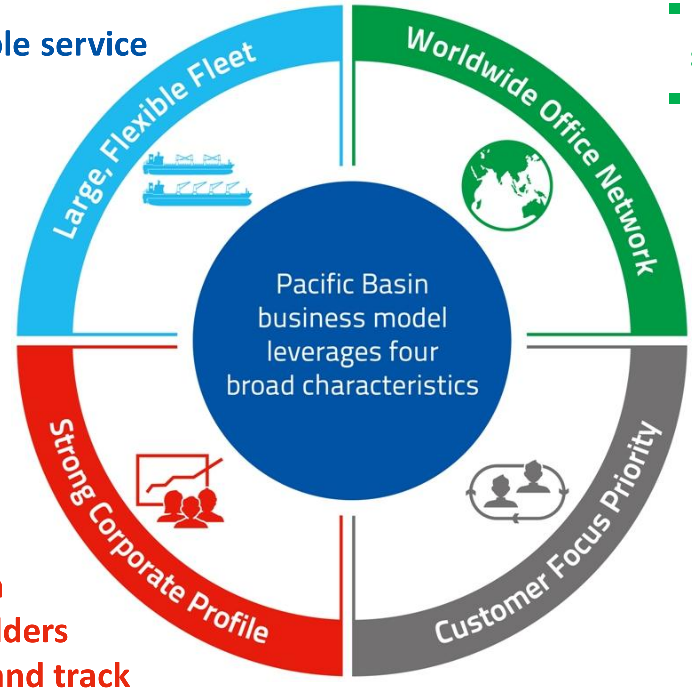
- A leading dry bulk owner/operator of Handysize & Handymax dry bulk ships
- Flexible Pacific Basin Dry Bulk business model
  - Large fleet of uniform, interchangeable, modern ships
  - Mix of owned and long-term, short-term chartered ships
  - Operating mainly on long term cargo contract (COA) and spot basis
  - Diversified customer base of mainly industrial producers and end users
  - Extensive network and offices positions PB close to customers
- Also owning/operating offshore and harbour tugs and managing RoRo freight ferries
- >230 vessels serving major industrial customers around the world
- Hong Kong headquarters, 19 offices worldwide, 300 shore-based staff, 2,000 seafarers*
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders

* As at Mar 2012

Appendix: Our Dry Bulk Business Model

- Largest owner and operator of modern Handysize ships with 9% share of global fleet of modern (max 15 years) 25,000-40,000 dwt bulk carriers
- Scale and uniformity for reliable service
- Homogeneous fleet of interchangeable ships allows us to optimise our scheduling
- Comprehensive in-house technical operations function

- 19 offices globally – including 14 dry bulk offices across 6 continents
- Localised chartering and operations support
- Facilities comprehensive, accurate market intelligence

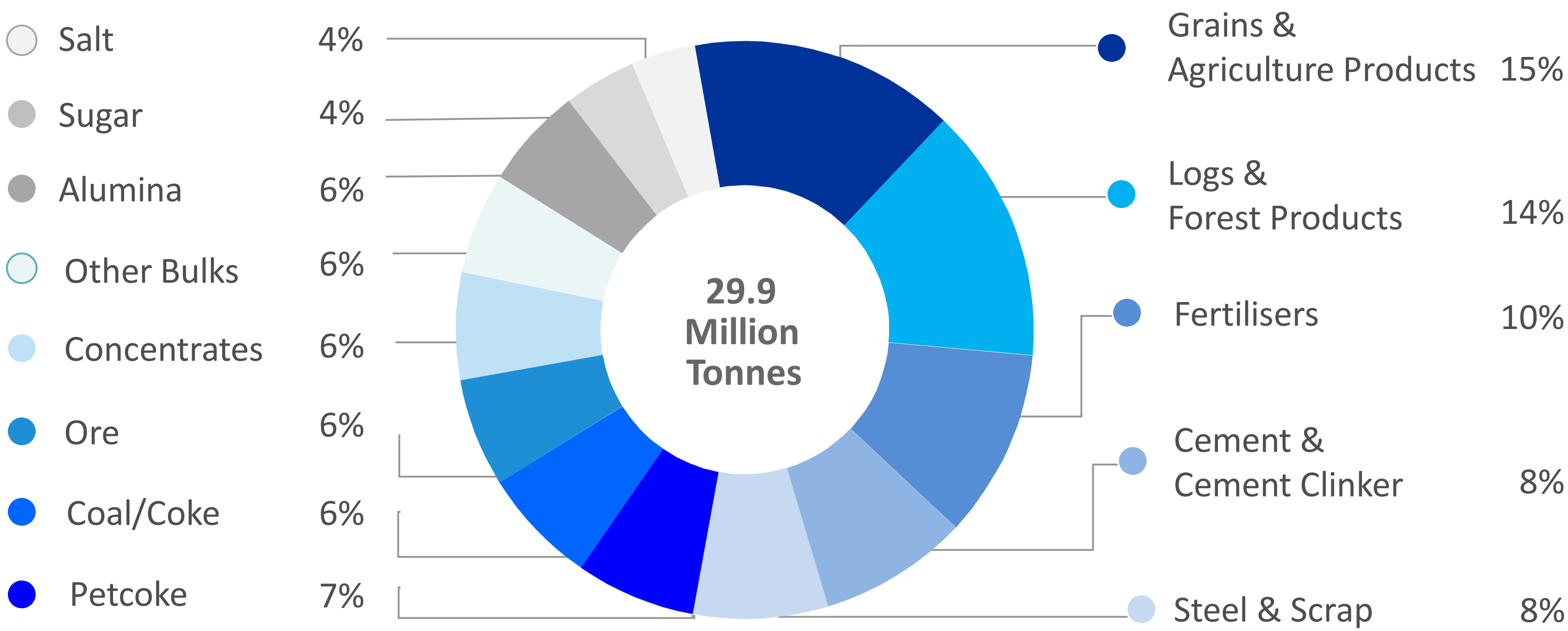


- Strong reputation
- Ability to engage closely with quality partners and stakeholders
- Strong public balance sheet and track record enhance our profile
- CSR and environmental programmes

- Customer-focused model - strong relationship with >300 customers
- Spot cargoes and long term cargo contracts – affording customers reliable freight cover
- Committed service delivery to customers

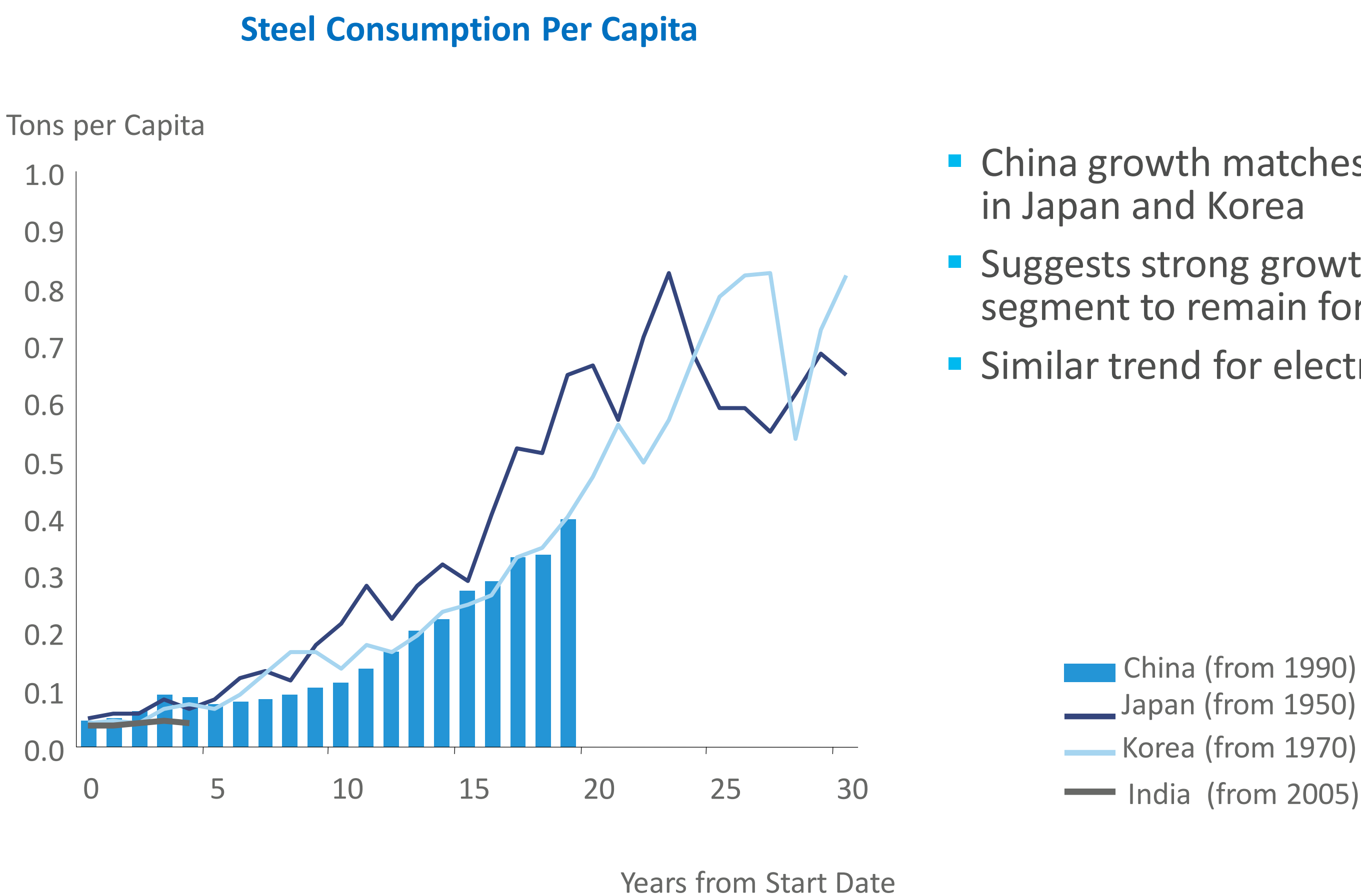
Appendix: Pacific Basin Dry Bulk – Diversified Cargo

Pacific Basin Handysize and Handymax Cargo Volume 1Q-3Q12



- Diverse range of commodities reduces product risk
- Australia and China were our largest loading and discharging zones respectively
- Increasing proportion of our business in the Atlantic

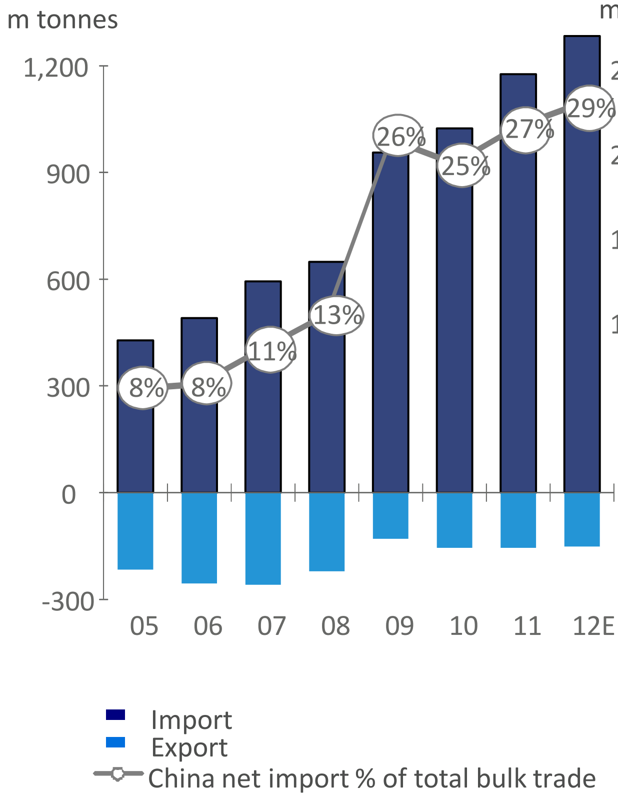
Appendix: China at late-Industrialisation Stage



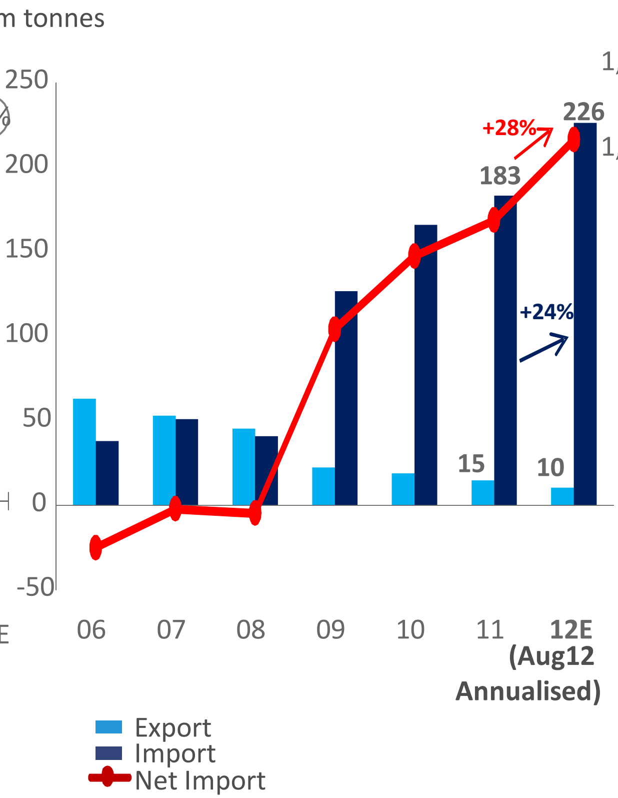
- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

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

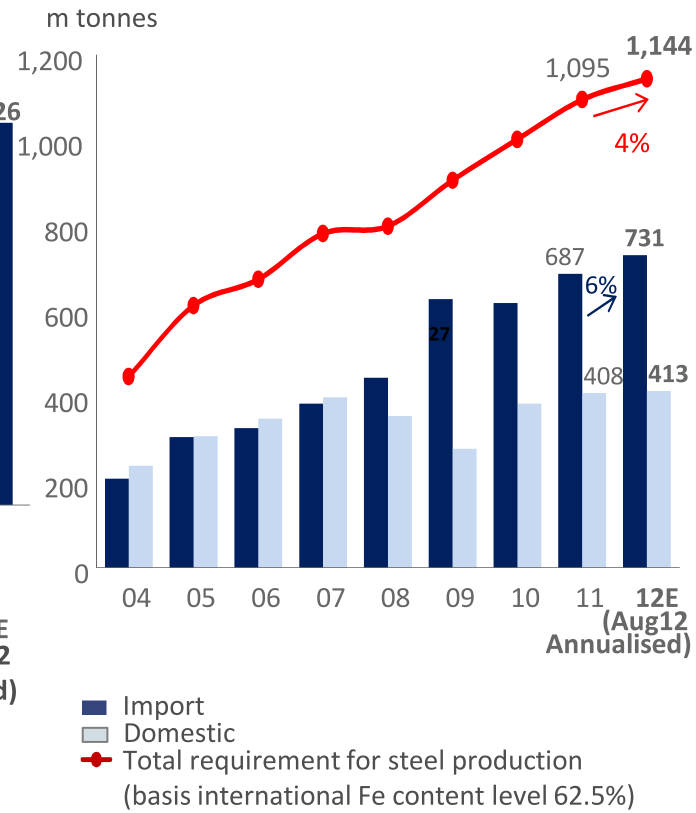
Chinese Dry Bulk Trade Volume



China is a net importer of coal in 2012



China Iron Ore Sourcing for Steel Production



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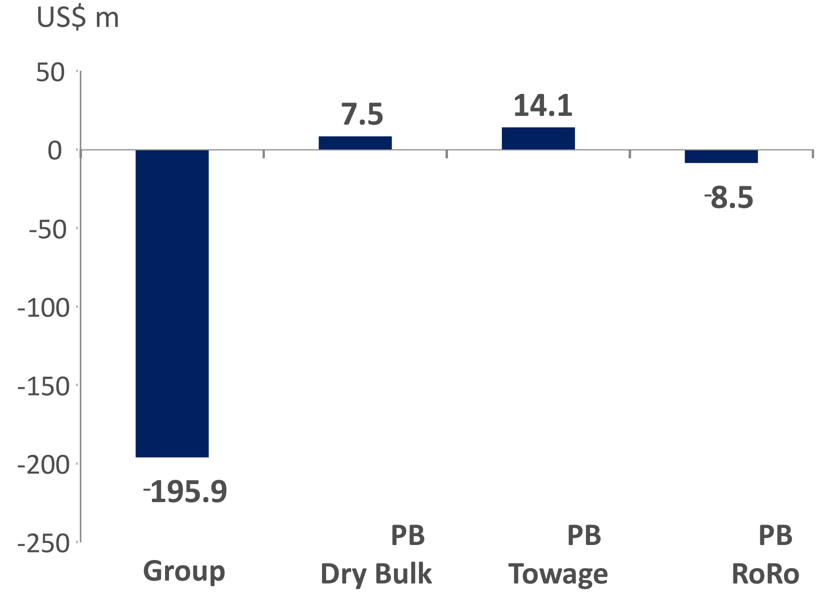
Source: Clarksons, Bloomberg

Appendix: 2012 Interim Financial Highlights

US$ m	1H12	1H11
Segment net profit	**9.7**	28.8
▪ Treasury	**(0.9)**	(5.8)
▪ Non direct G&A	**(5.6)**	(4.2)
Underlying profit	**3.2**	18.8
▪ Unrealised derivative expenses	**(9.1)**	8.4
▪ RoRo vessel impairment charge	**(190.0)**	(80.0)
▪ Gain from sale of shares in Green Dragon Gas	**-**	55.8
(Loss)/Profit attributable to shareholders	**(195.9)**	3.0

1H 2012 Principal Segment Net Profit and Return on Net Assets



	Group	PB Dry Bulk	PB Towage	PB RoRo
Net assets at period end	1,259.6	767.5	244.6	135.6
Return on net assets (annualised)		2%	12%	-12%
Operating cash inflow	48.0	38.1	18.9	(0.8)

Pacific Basin

Appendix: Pacific Basin Dry Bulk - Handysize

		1H12	1H11	Change
Revenue days	(days)	**19,210**	14,620	+31%
TCE earnings	(US$/day)	**10,540**	13,660	-23%
Owned + chartered costs	(US$/day)	**9,890**	10,640	-7%
Net profit	(US$m)	**10.3**	42.9	-76%
Return on net assets	(%)	**3%**	13%	-10%

- Earnings: 1H12 Time Charter Equivalent rates reflect weaker spot freight market
- Costs: Blended daily costs reflect lower chartered-in costs of market vessels
- Net profit: excludes US$5.5m unrealised net derivatives expenses

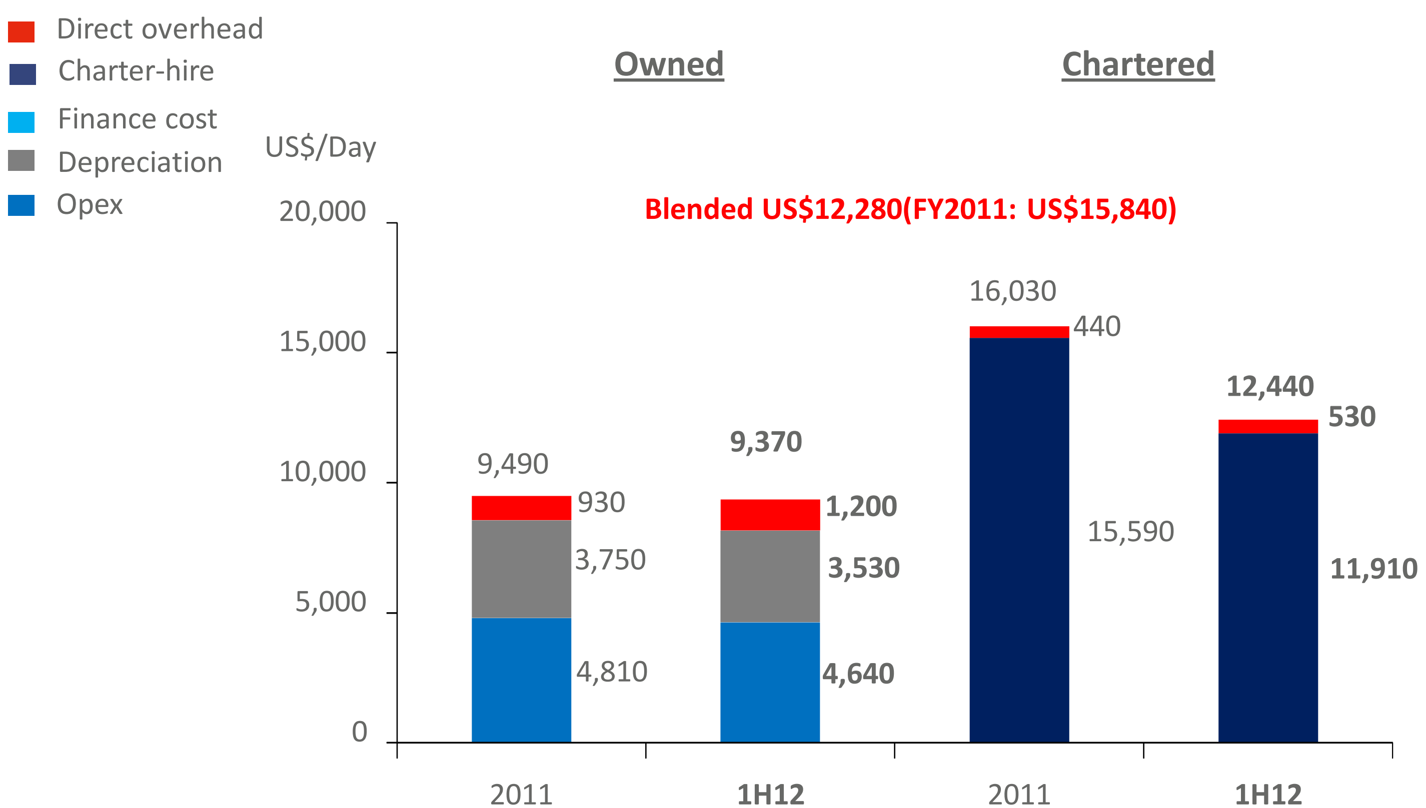
Appendix: Pacific Basin Dry Bulk - Handymax

		1H12	1H11	Change
Revenue days	(days)	**6,940**	6,390	+9%
TCE earnings	(US$/day)	**11,520**	15,130	-24%
Owned + chartered costs	(US$/day)	**12,280**	16,190	-24%
Net (loss)/profits	(US$m)	**(5.6)**	(7.5)	-25%
Contribution from Post Panamax	(US$m)	**2.8**	0.3	+833%
Net (loss)/profits	(US$m)	**(2.8)**	(7.2)	-61%
Return on net assets	(%)	**-4%**	-11%	+7%

- Earnings: 1H12 Time Charter Equivalent rates reflect weaker spot freight market
- Costs: Blended daily costs reflect lower chartered-in costs market vessels
- Net profit: excludes US$3.7m unrealised net derivatives expenses

Appendix: Daily Vessel Costs – Handymax

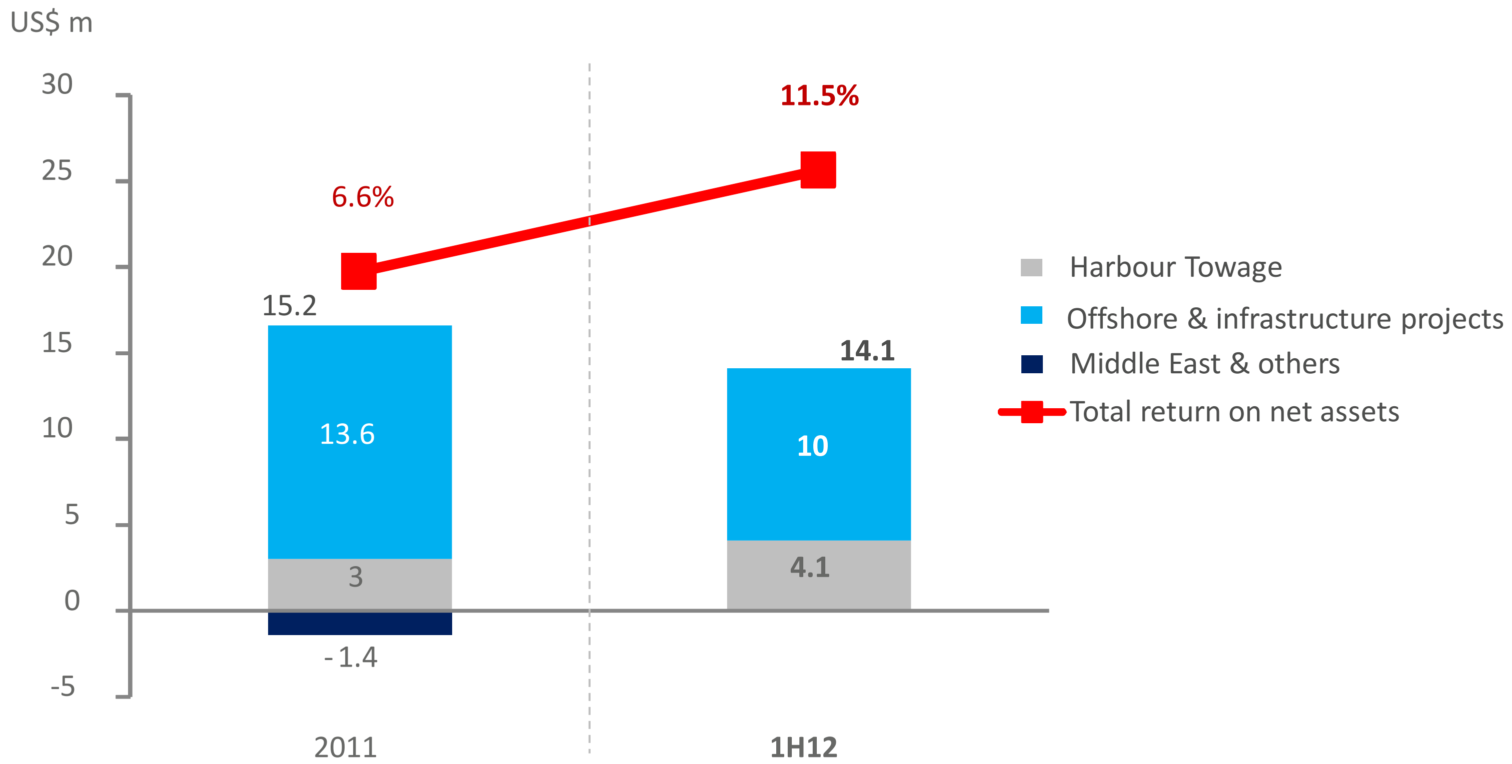
As at 30 Jun 2012



	2011	1H12	2011	1H12
Vessel Days	**370**	**360**	**12,970**	**6,610**
	3%	**5%**	**97%**	**95%**

Appendix: PB Towage Net Profit by Division

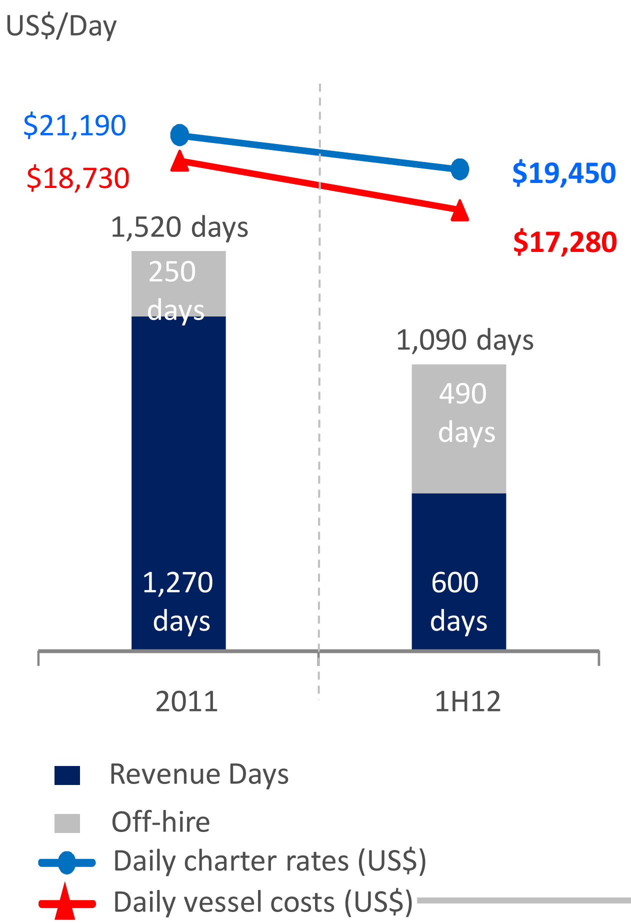
As at 30 Jun 2012



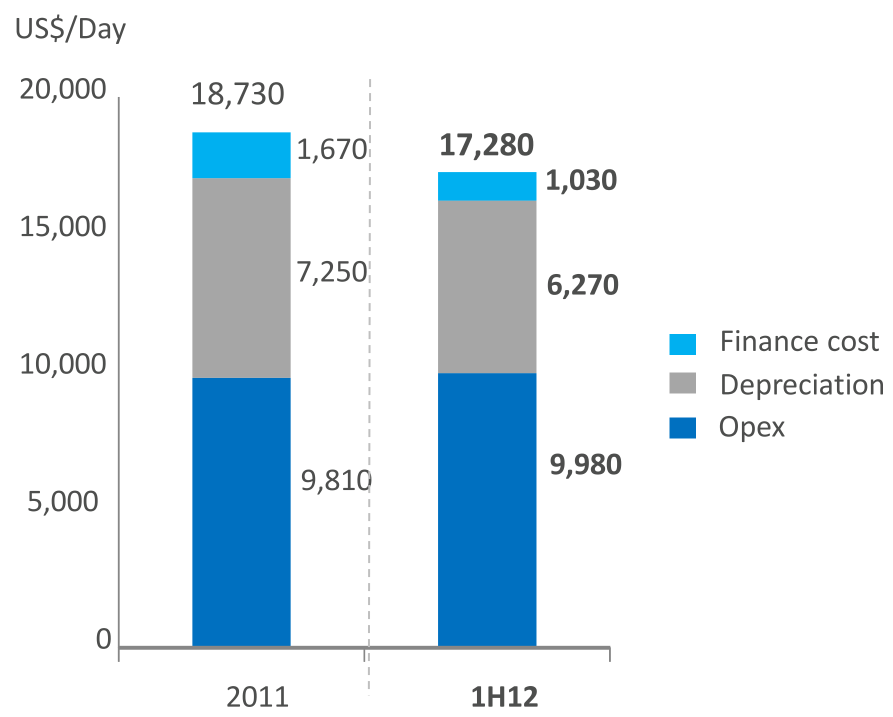
Appendix: Daily Earnings and Vessel Costs – RoRo

As at 30 Jun 2012

RoRo Performance



RoRo daily vessel costs



- June 2012 US$190m impairment will reduce depreciations by about US$3,000 per day

Pacific Basin

Appendix: PB RoRo Impairment in June 2012

- 18 June, announced US$190m non-cash impairment following reassessment of RoRo prospects
- Euro-centric RoRo market severely impacted by protracted European debt crisis and macro-economic and political uncertainty
- Significantly reduced demand for chartered RoRos
- Influx of newbuildings into already over-supplied sector
- We do not have our own route network to fall back on
- Expect flatter recovery in charter rates - not likely to exceed 75% of 2008 peak
- Dysfunctional RoRo sale and purchase market
- Impairment sensitivity: approx. US$30m adjustment for every US$1,000 decrease/increase in daily vessel earnings assumption

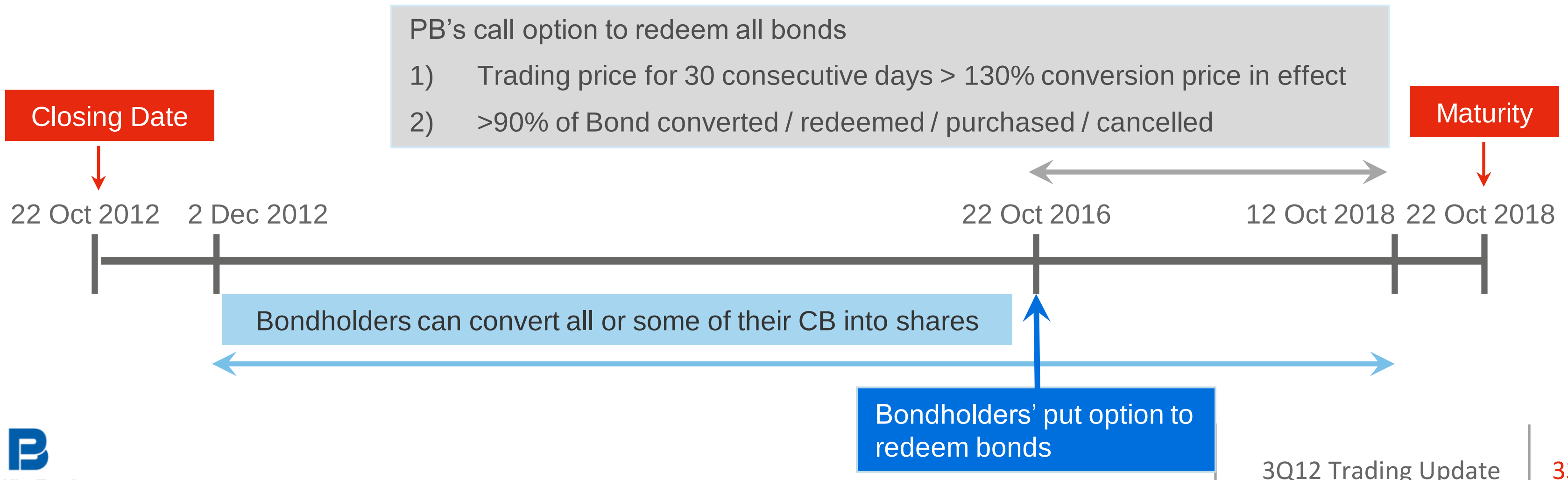
Financial Effects:

- Depreciation reduced by approx. 50% to US$3,000/day

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
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 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$7.98 (Current conversion price: HK$ 7.26 with effect from 24 April 2012)
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