What is Pacific Basin?

- Leading dry bulk shipping company principally operating in the Asia Pacific region
- We carry the dry bulk commodities required for Asia’s growth
- Diversifying in the roll on roll off shipping, ports and port services businesses

Network of PB Key Offices *

* As at Dec 2008
The dry bulk freight market has been greatly weakened by a combination of:
- slower growth of industrial production in China;
- stalling trade volumes caused by tighter credit conditions globally; and
- an increasing economic slowdown in the world’s developed economies

Rates for both spot and forward business have experienced an unprecedented fall over the last quarter.

Dry bulk demand has been directly affected by many banks’ difficulties in providing routine trade finance to commodity companies selling their products in the spot market. This is quite extraordinary.

A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.

We are continuing to secure our cover for handysize and handymax revenue days.

### Annual Cover and Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Handysize</th>
<th>Handymax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cover</td>
<td>US$/day</td>
</tr>
<tr>
<td>2008</td>
<td>93%</td>
<td>31,340</td>
</tr>
<tr>
<td>2009</td>
<td>43%</td>
<td>22,580</td>
</tr>
</tbody>
</table>

* Additional 6% contract cover at about US$18,500/day compared to our last reported figures on 4 August 2008 of 37% at US$24,200/day

* Exclude any execution premium
Fleet Profile

<table>
<thead>
<tr>
<th>Class</th>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Bulk</td>
<td>Handysize</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td>Handymax</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Post Panamax</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Barge</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Tugs</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Other Ships</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>149</td>
</tr>
</tbody>
</table>

- **Dry Bulk Fleet** – 90 ships
  - Handysize: 71 ships
  - Handymax: 17 ships
  - Post Panamax: 2 ships
  - Barge: 6 ships
  - Tugs: 20 ships
  - Other Ships: 32 ships
  - Total: 149 ships

**Chartered**
- 46 ships
  - Operating Lease: 29 ships
  - Finance Lease: 13 ships

**Owned**
- 25 ships
  - Newbuilding 5 ships
  - Owned 20 ships

**Finance Lease**
- 13 ships

**Newbuildings**
- 6 ships

**Includes 10 chartered-in vessels with purchase options**

---

1. The Group has a 63.5% interest in 1 owned vessel
2. The Group has a 50% interest in the vessel through its joint venture
3. Two of the RoRo newbuilding vessels will be acquired by the Group upon delivery through exercising the purchase option
Diversified Cargo

Total Handysize and Handymax Cargo Volume Mix Q1-Q3 2008

- Grains: 10%
- Cement: 5%
- Fertilisers: 11%
- Log & Forest Products: 6%
- Steel & Scrap: 9%
- Alumina: 3%
- Salt: 5%
- Coal/Coke: 7%
- Petcoke: 5%
- Concentrates: 6%
- Cement Clinker: 4%
- Other Bulks*: 14%

15% increase in cargo volume compare to last year this time

* Other bulks includes Gypsum, Sands, Soda Ash, Agriculture Products & Aggregates

24.3 million tonnes
Market Information

The Baltic Dry Index (BDI)

The Baltic Handysize Index (BHSI)

2 Jan 2009
773

2 Jan 2009
US$ 3,891 (net)

Dry Bulk 1 Year Time-Charter Rate

As at 2 Jan 2009

Capesize - $19,000
Panamax - $10,213
Supramax - $9,025
Handysize
1-Year: $6,591
3-Year: $8,788

BHSI officially started on 2 January 07
Sources: The Baltic Exchange, Bloomberg LP, Clarkson
In long term, industrialisation of China, India and other countries will support the dry bulk demand for many years.

We estimate tonnage demand growth in Q408 will be significantly lower compared to previous forecast.

Source: R.S. Platou 1H2008
# Lower Orderbook in Handysize

<table>
<thead>
<tr>
<th>Type of Vessels</th>
<th>Orderbook as % of Existing Fleet (dwt)</th>
<th>Ave. Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Bulk *</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Capesize 100K +</td>
<td>109%</td>
<td>11.7</td>
</tr>
<tr>
<td>Panamax 60-100K</td>
<td>52%</td>
<td>12.2</td>
</tr>
<tr>
<td>Handymax 35K-60K</td>
<td>61%</td>
<td>15.4</td>
</tr>
<tr>
<td>Handysize 25,000-34,999</td>
<td>46%</td>
<td>18.0</td>
</tr>
</tbody>
</table>

Source: Clarkson 1 Nov 2008
Note: * >10,000 Dwt

- Significant orderbook slow down in Q308
- Financial crisis limited desire & ability to order
Ageing Handysize Fleet

**Orderbook**
- 25,000-34,999 dwt (46%)

**Existing Fleet**
- Total handysize 25,000-34,999 dwt fleet: 1,297 Vessels (38.1 mil dwt)
- 20% ≥ 30+ Years
- 35% ≥ 25+ Years
- 15% 25-29 yrs
- 20% 16-24 yrs
- 45% 0-15 yrs
- 20% 30 yrs or above

Uncertainty over actual deliveries in 2009/2010, compounded by financial crisis

More than 35% older than 25 years, scrapping started due to freight rate reduction

**Source:** Clarkson, 1 Nov 2008
**Note:** % as of the existing fleet
* 25,000-34,999 Dwt
Dry Bulk Carrier Sale & Purchase Market

2nd-hand 5 years old handysize vessel price (25K-30K dwt)

Source: Clarkson, 3 Oct 08

Market turbulence affect the second hand vessel prices

Clarkson has stopped publishing handysize (indeed any dry bulk carrier) vessel values

No modern handysize vessels have been sold since August
Earnings Coverage

In the current weak market, we expect much lower time charter earnings for 2009 as compared to 2008

A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.

* Exclude any execution premium
^ Exclude 2 handymax vessels on long term charter
Daily Vessel Costs - Handysize

**Finance cost**

**Depreciation**

**Opex**

**Direct Overhead**

**Charter-hire**

US$37mil advance payment in 2008 reduces future charter-hire cost

**Contracted Charter-hire** *

2009: US$13,000
2010: US$12,500

* As at 1H08

* As at 15 Dec 08 Announcement

**US$8,640**

**$9,330**

**$12,850**

**$16,230**

**Fused US$12,840 (FY2007: US$10,240)**

**Owned**

**Chartered**

**Vessel Days**

**US$/day**

**FY07**

**1H08**

**FY07**

**1H08**

62%

49%

38%

51%

12,560

5,710

7,730

5,900
## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>30 Jun 08</th>
<th>31 Dec 07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$mil</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net book value of fixed assets ¹</td>
<td>898.6</td>
<td>755.9</td>
</tr>
<tr>
<td>Gross borrowings</td>
<td>612.3</td>
<td>660.2</td>
</tr>
<tr>
<td>Cash</td>
<td>804.3</td>
<td>649.5</td>
</tr>
<tr>
<td>Net cash / (borrowings)</td>
<td>192.0</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Shareholder's equity</td>
<td>1,333.2</td>
<td>867.6</td>
</tr>
<tr>
<td><strong>Net cash (borrowings) / Fixed assets</strong></td>
<td>21.1%</td>
<td>(1.4)%</td>
</tr>
<tr>
<td><strong>Net cash (borrowings) / Shareholder's equity</strong></td>
<td>14.4%</td>
<td>(1.2)%</td>
</tr>
</tbody>
</table>

**Note 1**
35 delivered dry bulk, NBV = US$667m
Avg NBV: HS: US$18.6m, HM: US$23.9m
Capex and Combined Value by Vessel Types

As at 4 Aug 08

Vessels Commitments

<table>
<thead>
<tr>
<th>Year</th>
<th>Handysize</th>
<th>Handymax</th>
<th>Tug &amp; Barge</th>
<th>Post Panamax</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2H 2008</td>
<td>163</td>
<td>23</td>
<td>44</td>
<td>68</td>
<td>290</td>
</tr>
<tr>
<td>2009</td>
<td>196</td>
<td>18</td>
<td>49</td>
<td>129</td>
<td>362</td>
</tr>
<tr>
<td>2010</td>
<td>312</td>
<td>8</td>
<td>22</td>
<td>283</td>
<td>553</td>
</tr>
<tr>
<td>2011</td>
<td>8</td>
<td>22</td>
<td>28</td>
<td>50</td>
<td>114</td>
</tr>
<tr>
<td>Total</td>
<td>567</td>
<td>50</td>
<td>129</td>
<td>723</td>
<td>1,446</td>
</tr>
</tbody>
</table>

Total US$721 mil

A Combined View of Vessel Carrying Values and Commitments

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
<th>Handysize</th>
<th>Handymax</th>
<th>Tug &amp; Barge</th>
<th>Post Panamax</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Bulk</td>
<td>2008</td>
<td>929</td>
<td>667</td>
<td>97</td>
<td>165</td>
<td>1,857</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>196</td>
<td>70</td>
<td>21</td>
<td>165</td>
<td>422</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>196</td>
<td>70</td>
<td>21</td>
<td>165</td>
<td>422</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>312</td>
<td>70</td>
<td>21</td>
<td>165</td>
<td>422</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,616</td>
<td>667</td>
<td>97</td>
<td>165</td>
<td>3,615</td>
</tr>
</tbody>
</table>

Total US$1,616 mil

Funded from existing cash + new debt

Further commitments expected in these areas
## Business Development

| Roll on Roll off (RoRo) | 6 newbuildings will deliver in 2009 to 2011 including 2 purchase options  
| | Good demand prospects, high average fleet age and low orderbook |
| Fujairah Bulk Shipping | Strategy to be the market leader in sourcing and transporting aggregate in the Gulf region  
| | In 1H08, US$1.4m profit recorded (PB share) |
| Ports and Port Services | PB Towage  
| | Operates modern tugs in Brisbane, Sydney, Melbourne, W.Aus and the Arabian Gulf  
| | Acquisition of Sea-Tow in New Zealand  
| | APMIG - Nanjing Longtan Tianyu Terminal (45% holding JV)  
| | February 2008 formal operations commenced, handled over 0.6mil tonnes of cargo, mainly cement, fertilisers and chemicals |
Outlook

- We are continuing to secure our earning coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Handysize</th>
<th>Handymax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cover</td>
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</tr>
<tr>
<td>2009</td>
<td>43%</td>
<td>22,580</td>
</tr>
</tbody>
</table>

* Exclude any execution premium

- As at 30 June 2008, we had US$192mil net cash, gross cash was US$804mil with an additional US$292mil of unutilised committed bank borrowings. We have total assets of US$2.1bil and shareholders’ equity of US$1.3bil

- In the current weak market, we expect much lower time charter earnings for 2009 as compared to 2008

- A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.
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.
# Appendix – 2008 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCE Earnings (US$m)</strong></td>
<td>586.4</td>
<td>269.2</td>
</tr>
<tr>
<td><strong>Reported net profit</strong></td>
<td>337.6</td>
<td>162.9</td>
</tr>
<tr>
<td>Less: Vessel disposal gains</td>
<td>(38.6)</td>
<td>(50.2)</td>
</tr>
<tr>
<td><strong>Net profit before disposal gains</strong></td>
<td>299.0</td>
<td>112.7</td>
</tr>
<tr>
<td><strong>Basic EPS (HK¢)</strong></td>
<td>162</td>
<td>81</td>
</tr>
<tr>
<td><strong>Return on average shareholders’ equity</strong></td>
<td>68%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Interim dividends (HK¢ per share)</strong></td>
<td>76.0</td>
<td>45.0</td>
</tr>
<tr>
<td><strong>Payout ratio</strong></td>
<td>50%</td>
<td>55%</td>
</tr>
</tbody>
</table>
## Appendix - Results – Handysize Freight & Charter-hire

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
<th>% Change</th>
<th>FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days (days)</td>
<td>11,540</td>
<td>9,590</td>
<td>+20%</td>
<td>20,100</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>32,460</td>
<td>19,750</td>
<td>+64%</td>
<td>23,200</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>12,840</td>
<td>9,370</td>
<td>+37%</td>
<td>10,240</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>226.4</td>
<td>99.5</td>
<td>+128%</td>
<td>260.5</td>
</tr>
</tbody>
</table>

More chartered in vessels increased revenue days

1H08 TCE rates reflect demand strength

Blended cost reflects more chartered in vessels
Appendix -
Results – Handymax Freight & Charter-hire

<table>
<thead>
<tr>
<th>Drivers of the results</th>
<th>1H08</th>
<th>1H07</th>
<th>% Change</th>
<th>FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days (days)</td>
<td>2,900</td>
<td>2,260</td>
<td>+28%</td>
<td>4,870</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>46,100</td>
<td>25,180</td>
<td>+83%</td>
<td>30,040</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>32,940</td>
<td>20,580</td>
<td>+60%</td>
<td>23,050</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>38.2</td>
<td>10.0</td>
<td>+282%</td>
<td>34.0</td>
</tr>
</tbody>
</table>

- More chartered in vessels
- Increased revenue days
- 1H08 TCE rates reflect use of short term chartered in vessels
### Appendix – Impact of Financial instruments

<table>
<thead>
<tr>
<th>Net Gains / (Losses)</th>
<th>Realised</th>
<th>Unrealised</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swap contracts</td>
<td>(0.2)</td>
<td>(0.4)</td>
<td>(0.6)</td>
<td>1.2</td>
</tr>
<tr>
<td>Bunker swap contracts</td>
<td>10.0</td>
<td>44.9</td>
<td>54.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Forward freight agreements</td>
<td>(10.4)</td>
<td>(1.3)</td>
<td>(11.7)</td>
<td>(21.4)</td>
</tr>
<tr>
<td></td>
<td>(0.6)</td>
<td>43.2</td>
<td>42.6</td>
<td>(14.4)</td>
</tr>
</tbody>
</table>

- **Completed in period & cash settled**
- i) Contracts to be settled in future period +
- ii) Accounting reversal of earlier period contracts now completed
## Appendix – Cashflow

### Operating cash inflows

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>284.2</td>
<td>97.0</td>
</tr>
</tbody>
</table>

### Investing cash in/ (out) flows

- Payments for vessels and other fixed assets
  | 1H08 | 1H07 |
  | (217.5) | 10.2 |
  | (201.2) | (167.6) |
- Sales of vessels
  | 80.6 | 176.0 |
- Purchase of available-for-sale financial assets
  | (40.3) | - |
- Investment in jointly controlled entities
  | (37.4) | - |
- Others, mainly restricted cash & interest received
  | (19.2) | 1.8 |

### Financing cash in/ (out) flows

- Proceeds from placement of shares, net of expenses
  | 54.0 | (87.2) |
- Net repayment of borrowings
  | 271.0 | - |
- Dividends paid
  | (51.6) | (30.9) |
- Others, mainly interest paid
  | (152.8) | (45.0) |
  | (12.6) | (11.3) |

### Cash at 30 June

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>804.3</td>
<td>83.3</td>
</tr>
</tbody>
</table>
Appendix – Daily Vessel Costs – Handymax

As at 1H08

<table>
<thead>
<tr>
<th>Vessel Days</th>
<th>FY07</th>
<th>1H08</th>
<th>FY07</th>
<th>1H08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel Days</td>
<td>730</td>
<td>360</td>
<td>4,140</td>
<td>2,570</td>
</tr>
<tr>
<td>15%</td>
<td>12%</td>
<td>85%</td>
<td>88%</td>
<td></td>
</tr>
</tbody>
</table>

Appendix – Roll On Roll Off (RoRo)

- 6 newbuildings (3,600-3,800 lane metre) will deliver in 2009 to 2011 including 2 purchase options
- Used for transportation of wheeled cargoes (mostly trucks) which are loaded over a ramp
- Proven design, suitable for the common short sea trades

1,300-2,700LM, 1-Year Moving Average Time Charter Rates (Euro)

Source: Maersk Broker June 2008
Appendix – Attractive RoRo Sector

► Attractive fundamentals
  ► Immediate “short-sea” trade demand is in Asia Minor & Europe, with Pacific Basin also well positioned to lead the way in the Asian RoRo sector
  ► Low orderbook (<20%)
  ► 42% of vessels aged 25 years or over

Age Profile RoRo Fleet
488 Vessel (897,774 Lane Meter) as at Jun08

- 21% ≥ 30 Years +
- 42% > 25 Years +
- 61% > 15 Years +
- 0-14 Years 39%
- 15-24 Years 19%
- 30 Years + 21%

RoRo Orderbook
(56 Vessels or 178,129 Lane Meter)

- Orderbook: 19.8%
- 2008: 2.8%
- 2009: 5.0%
- 2010: 5.3%
- 2011: 4.6%
- 2012+: 2.1%

Source: Maersk Broker
Note: % as of the existing fleet in Lane Meter
Appendix –
Ports and Port Services

Ports Infrastructure Unit

- APMIG - Nanjing Longtan Tianyu Terminal (JV: 45% equity)
  - February 2008, formal operations commenced and in 1H08 handled over 0.6mil tonnes of cargo, mainly cement, fertilisers and chemicals
  - Further projects identified in the Yangtze Delta and Bohai Bay
- Asia Pacific-Middle East region: Evaluating port developments
- Gold River wharf, Canada: Taken 33% share in the ownership and operating rights

PB Towage

- Harbour work for major shipping lines and oil services activities concentrated in Australia
- A growing fleet of modern, high quality tugs and barges to service shipping lines, and the energy and construction sectors
- Acquisition of Sea – Tow in New Zealand brought us additional tug and barge vessels
Appendix –
FBSL & Maritime Services

Fujairah Bulk Shipping

- JV in Middle East for supplying rock and aggregates using tugs, barges and handysize ships from Fujairah to Qatar and Kuwait
- 50:50 joint venture between Pacific Basin and the Government of Fujairah
- Strong performance and further expansion of its operations in 2008

Maritime Management Services

PB Maritime Services / PB Tankers / PacMarine

- Third party ship management and associated marine management services
- The managed fleet encompasses a broad range of vessel types, size and complexity such as RoRo, RoPax and Tankers