Deutsche Bank – Access China Conference 2011
Beijing, January 2011

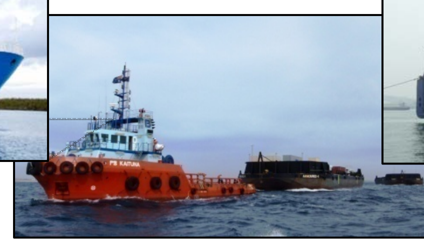
Pacific Basin

Q310 Trading Update

28 Dec 2010

Pacific Basin Overview

- **One of the world's leading dry bulk owner/operators of modern handysize and handymax vessels**
- **Pacific Basin Dry Bulk's business model is highly flexible**
  - **Large fleet of uniform, interchangeable, modern vessels**
  - **Mix of owned, long-term and short-term chartered ships**
  - **Diversified customer base of mainly industrial end users**
  - **Providing variety of chartering options, mainly COAs & spot fixtures**
- **Growing presence in:**
  - **Energy & Infrastructure Services**
  - **RoRo Shipping**
- **180+ vessels serving major industrial customers around the world**
- **Hong Kong headquarters, 20 offices worldwide, 360+ Group staff, 1,800+ seafarers ***



*** As at 1 Oct 2010**

2010 Third Quarter Highlights

PB Dry Bulk

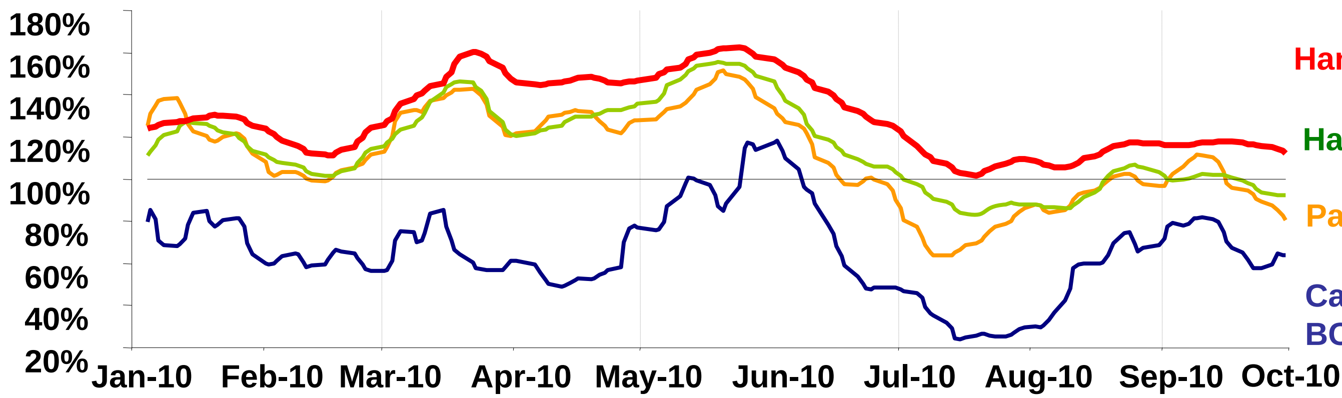
- **Overall dry bulk market improved sooner than we expected following a mid-year slow-down, although rates for handysize and handymax segments have trended down since Sept.**
- **Baltic Dry Index has increased 60% since market upturn in July; Q3 average handysize spot rates increased 30% year on year despite slipping since September**
- **Market for smaller ships were influenced by:**
  - **Seasonal recovery followed by a subsequent decline in grain export & minor bulks shipments;**
  - **Rapid new ship deliveries**
- **Our core fleet has expanded with long term charters of 3 more ships (17 purchased and long term chartered since December 2009)**
- **We have secured forward cargo cover as follows:**

	Year 2010	Year 2011
Handysize	94% (US$16,670)	37% (US$14,230)
Handymax	99% (US$22,470)	109% (US$16,590)

We expect to see a seasonal upswing in the market for handysize and handymax bulk carriers in November and into early 2011

Dry Bulk Market Information

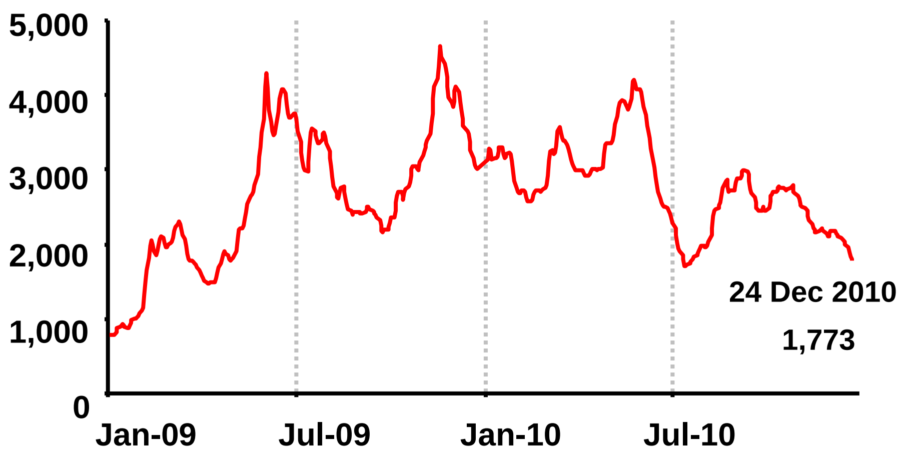
Sector Earnings Performance in 2010 versus Average 2009



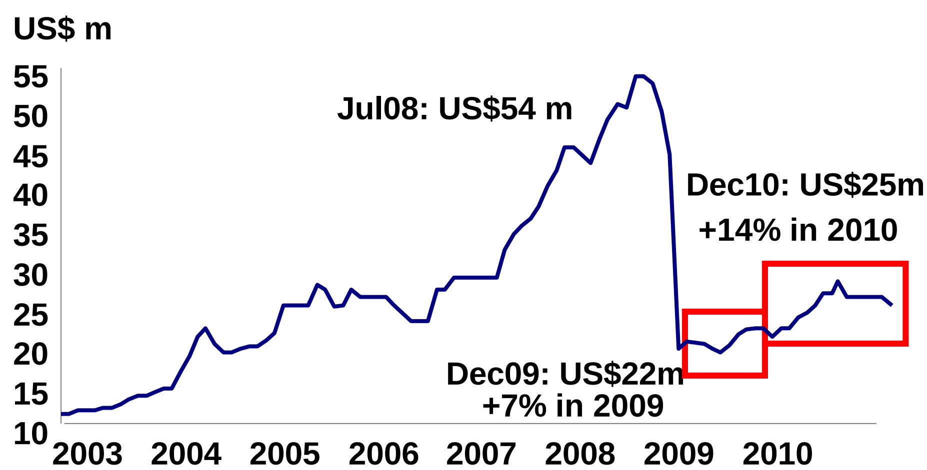
During 2010, Handysize has been the best performer compared to last year

Capesize has spent most of the year performing worse than in 2009

Baltic Dry Index



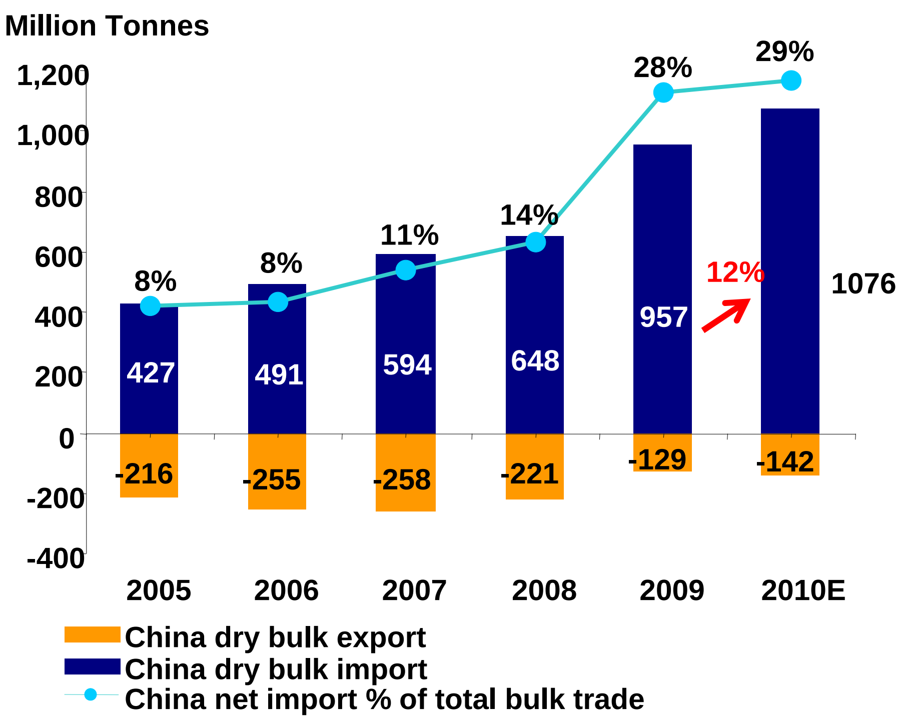
5 Year Old 28,000 Dwt Vessel Values



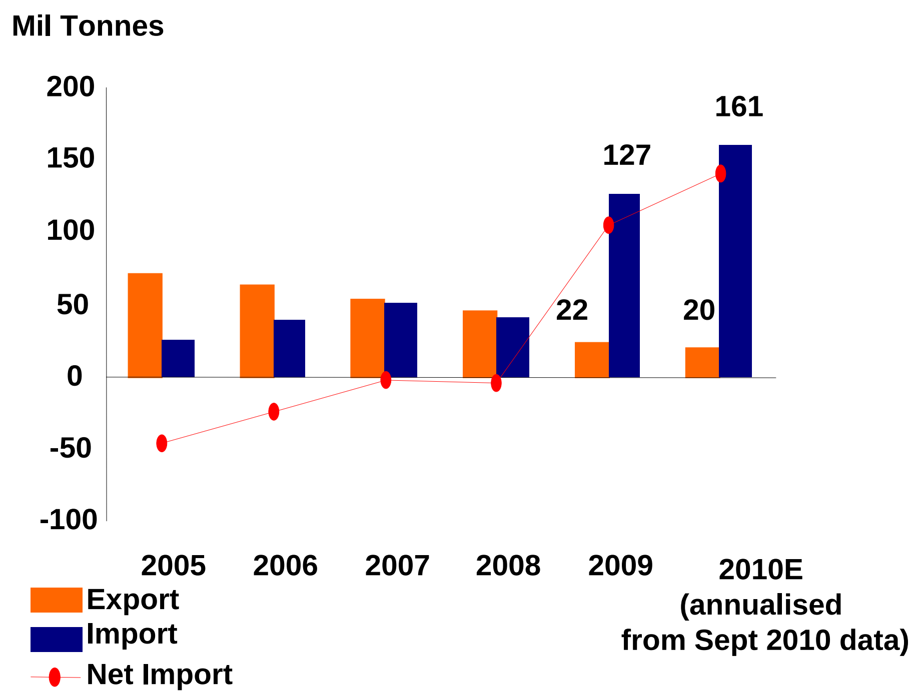
Source: Clarksons (up to Oct 2008, since Jan 2010), Aggregate brokers estimates (from Oct 2008 to Dec 2009)
The Baltic Exchange

Chinese Dry Bulk Trade

Chinese Dry Bulk Trade Volume



China is a Net Importer of Coal



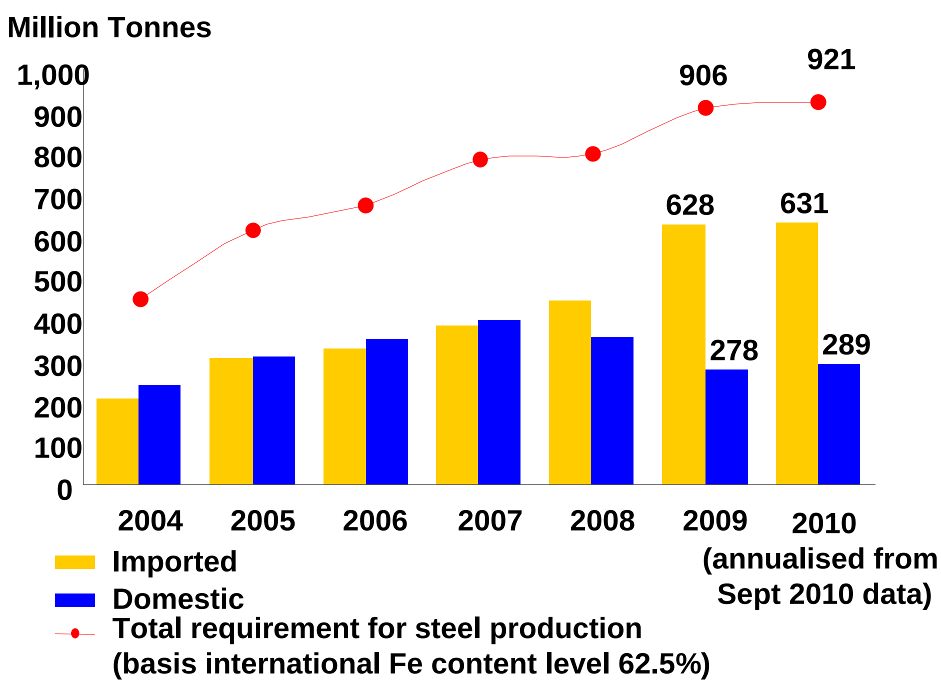
China net imports increased dramatically since 2008

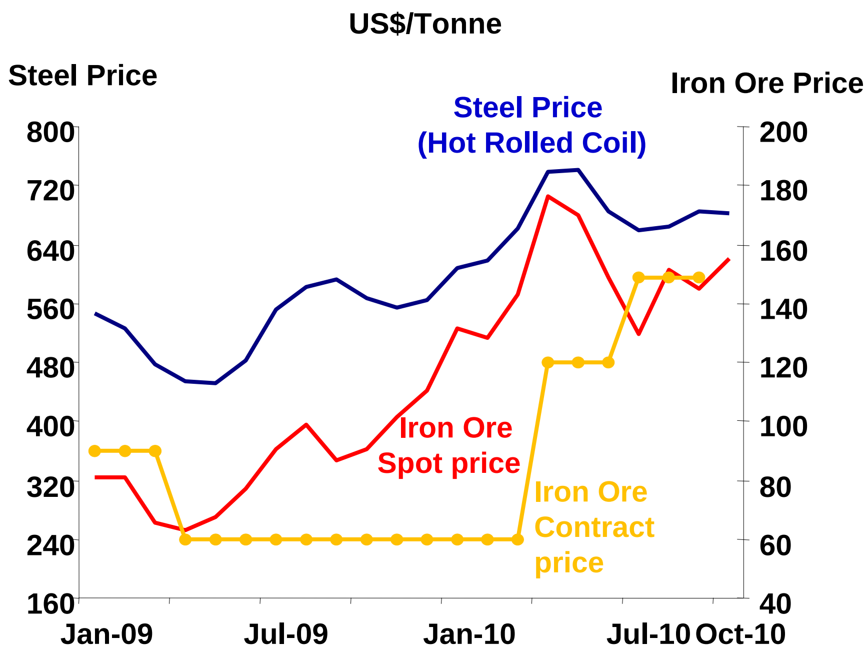
East-West trade imbalance has widened causing increasingly inefficient deployment of the global dry bulk fleet

China coal imports continue to pick up in fourth quarter

Source: Clarksons, Bloomberg LP

Chinese Iron Ore Demand



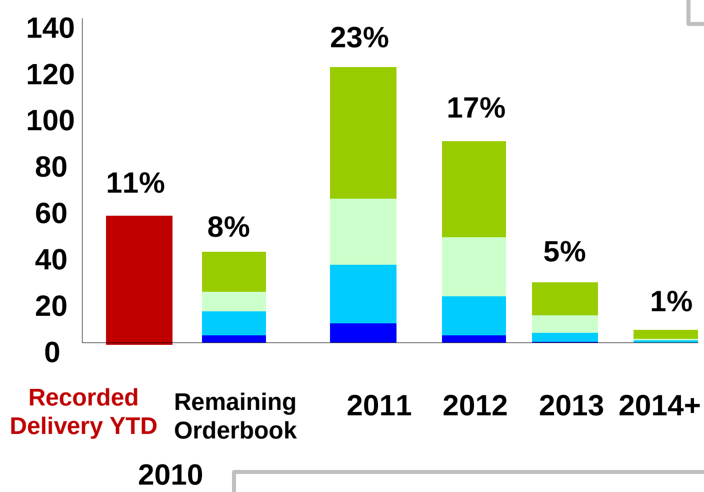


Growth in Chinese import of raw materials, though not at same unprecedented pace as 2009	Expected revival in Chinese commodity imports	Restocking combined with increased foreign versus domestic iron ore arbitrage, driven by a drop in Q4 quarterly price

Source: Bloomberg LP, Steel Business Briefing, Pareto Securities, Deutsche Bank

Dry Bulk Orderbook

Mil Dwt **Scheduled Orderbook by Year**

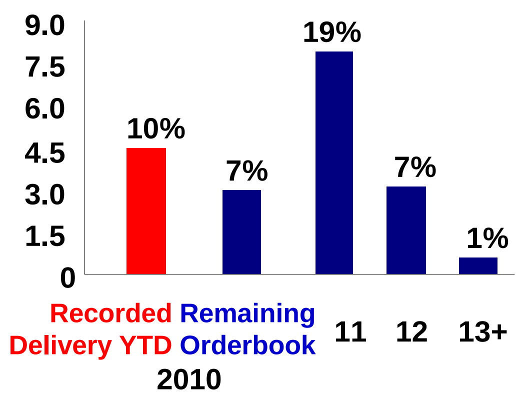


	Orderbook as % of Existing Fleet	Average Age
Total Dry Bulk >10,000 Dwt	**54%** (62%)	
Capesize	**67%** (90%)	**10.1**
Panamax	**54%** (49%)	**12.0**
Handymax (35,000-59,999 Dwt)	**46%** (54%)	**15.4**
Handysize (25,000-34,999 Dwt)	**34%** (44%)	**15.0**



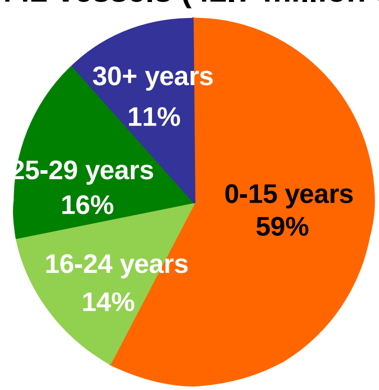

Handysize Scheduled Orderbook

460 vessels (14.6 million dwt) - 34%



Handysize Age Profile

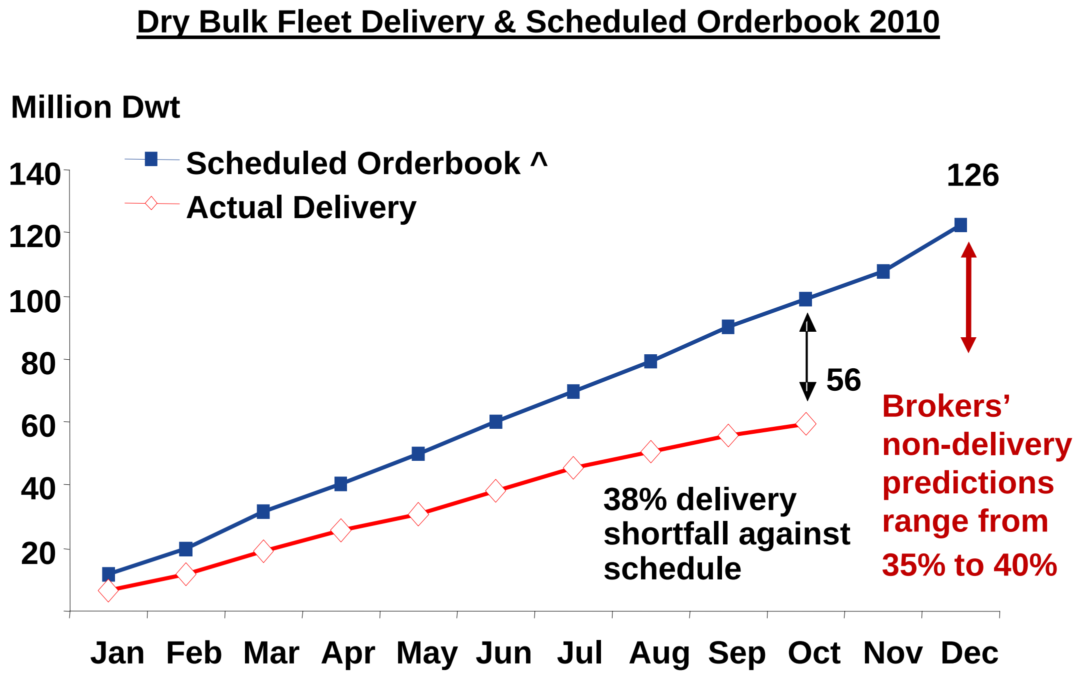
1,442 vessels (42.7 million dwt)



- **Estimated 7.5% of current dry bulk orderbook for the domestic Chinese fleet**
- **27% of handysize fleet is over 25 years old**

Source: Clarksons 1 Oct 10 / Fairplay, Handysize is defined as 25,000-34,999 Dwt, ( ) % as at 1 Oct 2009

Dry Bulk Fleet Delivery



56 million tonnes (11%) delivered to dry bulk fleet in first nine months of the year

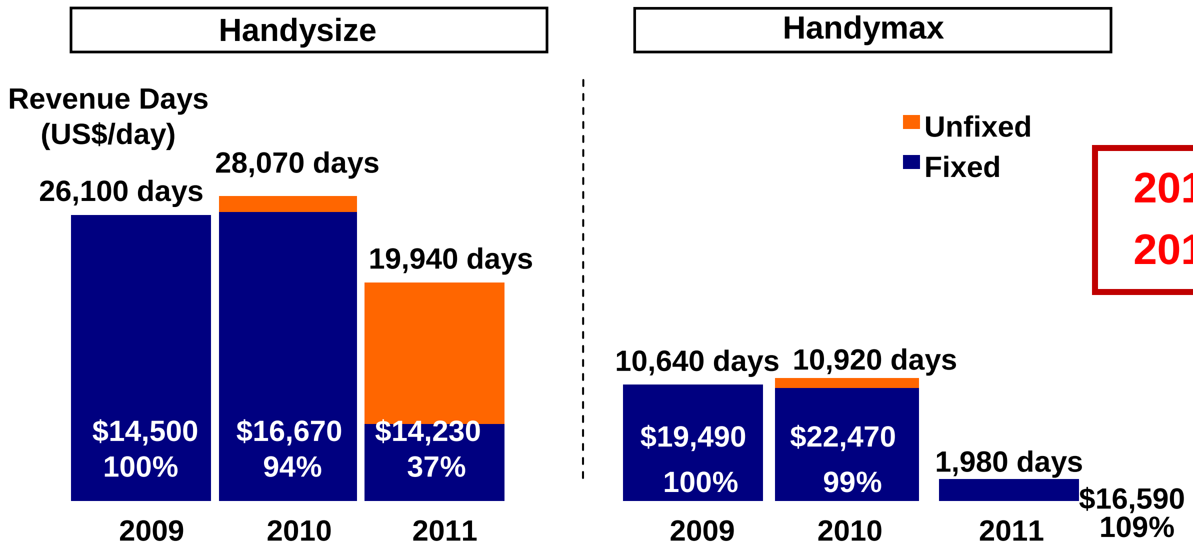
We estimate approximately 75 million tonnes of capacity will deliver in 2010

We expect handysize and handymax to outperform other dry bulk sectors mainly due to lower orderbook

Source: Clarksons, Morgan Stanley
^Clarksons Jan 2010

Pacific Basin Dry Bulk

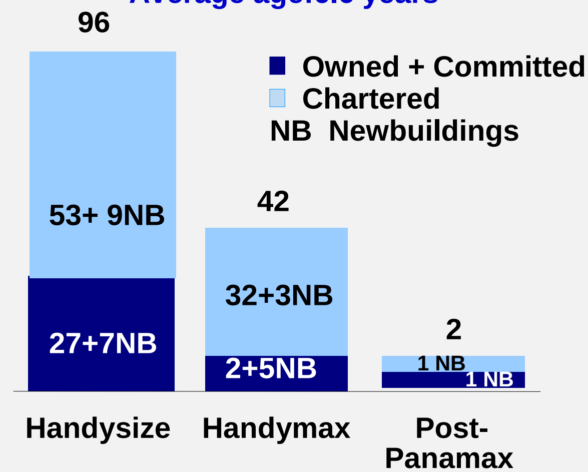
Earnings Coverage (as at 27 Oct 2010)



2010 Total combined cover: 96%

2011 Total combined cover: 46%

Pacific Basin Dry Bulk Fleet: 140
(as at 15 Nov 2010)
Average age:6.6 years



- **Strategy:**
  - **Secure forward cargo cover for 2011 and beyond**
  - **Maintain a cost-competitive fleet**
  - **Fleet expansion since Dec 2009:**
    - **Purchased 9 ships**
    - **Long-term chartered 8 ships**

^ Excludes 2 handymax vessels on long term charter out

* The total combined cover, stated at handysize equivalent days, is calculated as percentage cover on total handysize and handymax revenue days

Dry Bulk Outlook

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- Healthy demand for minor bulk commodities boosted by weaker US Dollar
- Seasonally stronger demand, particularly in the grain, iron ore and coal trades
- Restocking of Chinese iron ore and coal combined with increasing ore imports due to a lower fourth quarter price
- East-west trade imbalances further increasing inefficiency in fleet utilisation

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- Rapid expansion of dry bulk shipping capacity due to excessive newbuilding deliveres

PB conclusion:

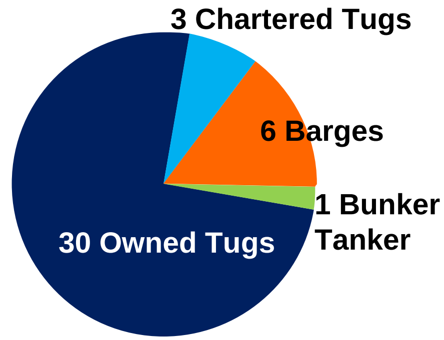
We expect to see a seasonal upswing in the market for our smaller bulk carriers in November and into early 2011, albeit for the handysize segment to remain relatively range-bound.

PB Energy & Infrastructure Services

FBSL | **PB Towage** | **PacMarine**

- **PB Sea-Tow (Offshore Projects)**
- **PB Towage Australia (Harbour Towage)**
- **PB Towage Middle East (Offshore Projects)**

Towage Fleet: 40 vessels
(as at 31 July 2010)



PB Energy & Infrastructure Services	US$m
Offshore/project supply & harbour towage services (“Towage”)	(1.2)
Fujairah Bulk Shipping (“FBSL”)	4.5
PacMarine Services	0.7
Segment net profit in 1H10:	**4.0**

- **Q310 Performance:**
  - **Some revival in offshore towage and infrastructure support activity**
  - **Utilisation improved in our harbour towage business**
  - **Expansion of PB Towage Australia’s customer base**
  - **Stronger than expected results from our new service in the Port of Townsville**
  - **FBSL’s reclamation project is drawing to a close with 50mil tonnes of landfill delivered**

Energy & Infrastructure – Outlook

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- Global economic recovery, albeit slow
- Increase in oil and energy prices
- Resumption of infrastructure and offshore projects
- Preseverance leading to better brand recognition and service quality

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- Rationalisation of containership towage leading to less port calls
- US moratorium on deep-water drilling exerting downward pressure on rates
- Newbuilding deliveries
- Reduced demand for construction materials in the Middle East

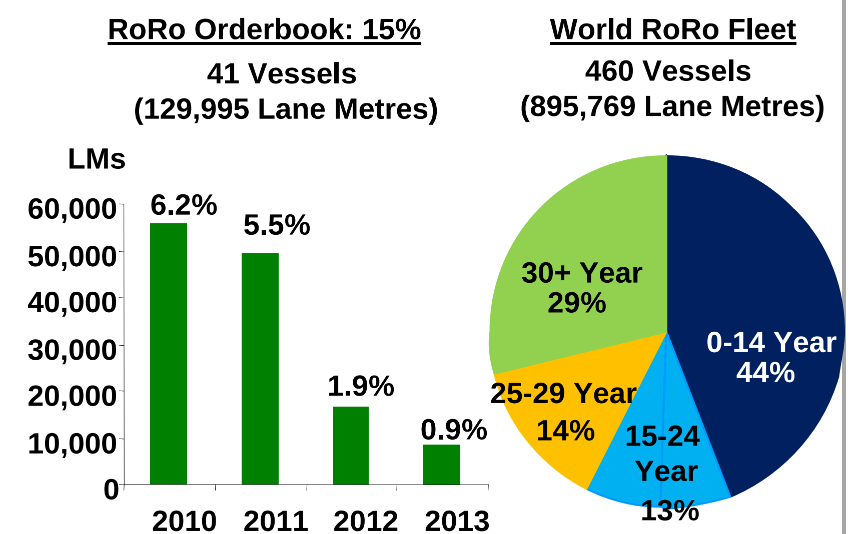
PB Conclusion

- Improvement in Australian harbour towage demand to continue
- Uncertain pace of recovery in Middle East infrastructure market
- Limited scope for improvement in remains 2010 but better outlook

PB RoRo

Net profit in 1H10: US$0.5 m (1H09: -US$0.4m)
Annualised return on net assets: 1%

- "Humber Viking" completed satisfactory 1st year on charter to Norfolk Line for 3 years in North Sea
- Took the delivery of 2nd vessel in early Oct 2010
- Committed an initial vessel to new RoRo service (Nafta Gulf Bridge project) between Mobile (US Gulf) and Veracruz (Gulf coast of Mexico), commencing by end 2010
- 4 newbuildings for delivery in 2010 & 2011
- Strategy
  - Become a tonnage supplier to major European freight service operators
  - Expand our marketing reach and actively continue to explore employment opportunities within and outside Europe



Long-term fundamentals attractive:
- Ageing fleet (average age: 20 years)
- Weak market leading to significant scrapping: ~10% in Q1-Q310
- Negligible newbuilding orders since the start of 2009

Source: Maersk Broker, data as at June 2010

RoRo – Outlook

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- European economic recovery to support combined modest growth in trailer volumes and short-sea RoRo trades
- Some trades making significant recovery towards pre-recession levels
- Scrapping limits overcapacity

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- Significant RoRo newbuilding deliveries expected in 2010 and 2011
- European austerity measures
- Flatter recovery in US and slow, hesitant growth in developed countries

PB Conclusion

- Euro-centric RoRo market is improving with monthly European trailer volumes increasing year on year
- Scrapping of RoRo tonnage in 2010 together with negligible newbuilding orders improve the supply picture from next year
- We expect challenging trading environment for RoRos to continue despite some further recovery in 2011
- Remain positive about the sector in the more distant future

Outlook

- **Focus on three core businesses:**

Pacific Basin Dry Bulk	PB Energy & Infrastructure Services	PB RoRo

- **Overall dry bulk market recovered sooner than expected from a mid-year slow-down; we expect to see a seasonal upswing in the market for handysize bulk carriers from November and into early 2011**
- **Continued demand growth in China / Asia**
- **Market conditions improved for our other business divisions**
- **Business model and balance sheet position us well for further expansion of our dry bulk business as appropriate opportunities arise**
- **Our strategic goals remain unchanged:**
  - **To expand further our dry bulk fleet & business**
  - **To grow our energy and infrastructure services operations**
  - **To secure profitable employment for remaining RoRo newbuildings**

2010 Interim Financial Highlights

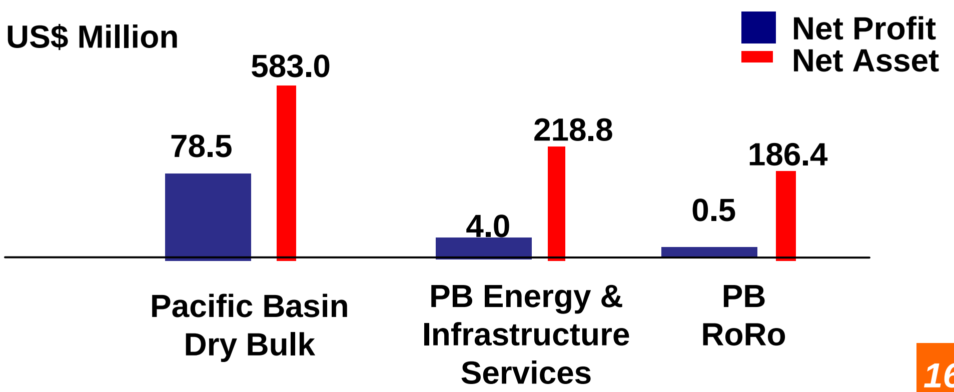
As at 30 June 2010

	1H10	1H09
Segment net profit	**81.1**	**65.7**
Treasury	(11.8)	(4.4)
Non direct G&A	(3.7)	(4.5)
Underlying profit	**65.6**	**56.8**
Unrealised derivative (expenses)/income	(13.7)	15.0
Future onerous contracts - net provision write-back	-	5.5
Net dry bulk vessel disposal losses	-	(2.5)
Profit attributable to shareholders	**51.9**	**74.8**

Returns on net assets
(annualised)

	1H10
Pacific Basin Dry Bulk	27%
PB EIS	4%
PB RoRo	1%

Segment Net Profit versus Net Assets



Pacifc Basin Dry Bulk – Handysize

As at 30 June 2010

		1H10	1H09	Change
Revenue days	(days)	13,940	12,460	+12%
TCE earnings	(US$/day)	16,840	13,610	+24%
Owned + chartered cost	(US$/day)	11,750	9,380	+25%
Segment net profits	(US$m)	69.7	52.1	+34%
Return on net assets	(%)	26%	26%	-

Earnings:

- 1H10 TCE rates reflect demand strength

Costs:

- Blended daily costs reflect higher chartered-in costs from the market

Segment result excludes:

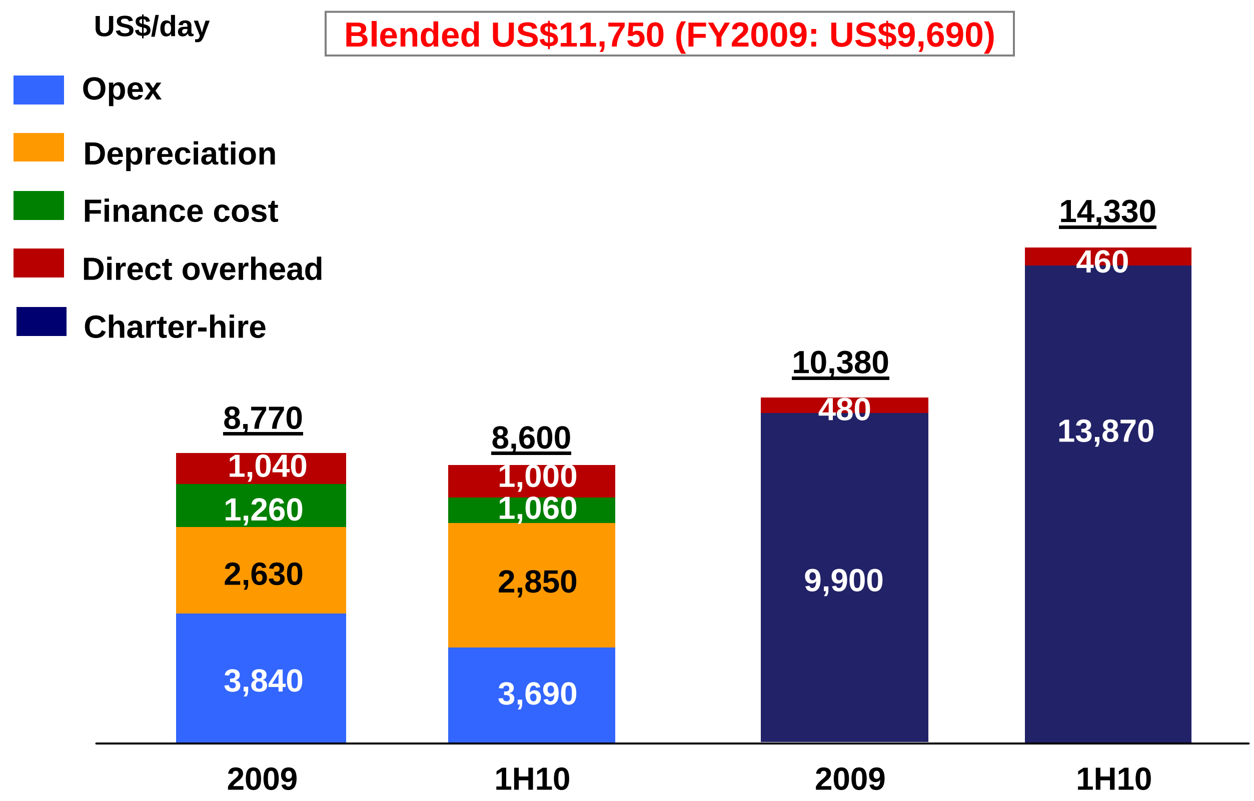
- US$6.2m unrealised net derivatives expenses

Daily Vessel Costs - Handysize

Period ended 30 Jun 2010

Owned	Chartered

Blended US$11,750 (FY2009: US$9,690)



Vessel Days	11,200	6,320	15,010	7,740
	43%	50%	57%	50%

Impact of Financial Instruments

US$ m	Realised	Unrealised	1H10	1H09
	Period ended 30 June			
Net Gains / (Losses)				
Forward freight agreements	(4.6)	(1.2)	(5.8)	(12.3)
Bunker swap contracts	2.7	(11.1)	(8.4)	33.0
Interest rate swap contracts	(2.8)	(1.4)	(4.2)	1.4
	(4.7)	(13.7)	(18.4)	22.1

- Cash settlement of contracts completed in the period
- Included in segment results

- Bunker prices reduced 1H10 from US$484/mt to US$443/mt

- Contracts to be settled in future periods
- Accounting reversal of earlier period contracts now completed
- Not part of segment results

Balance Sheet

As at 30 June 2010

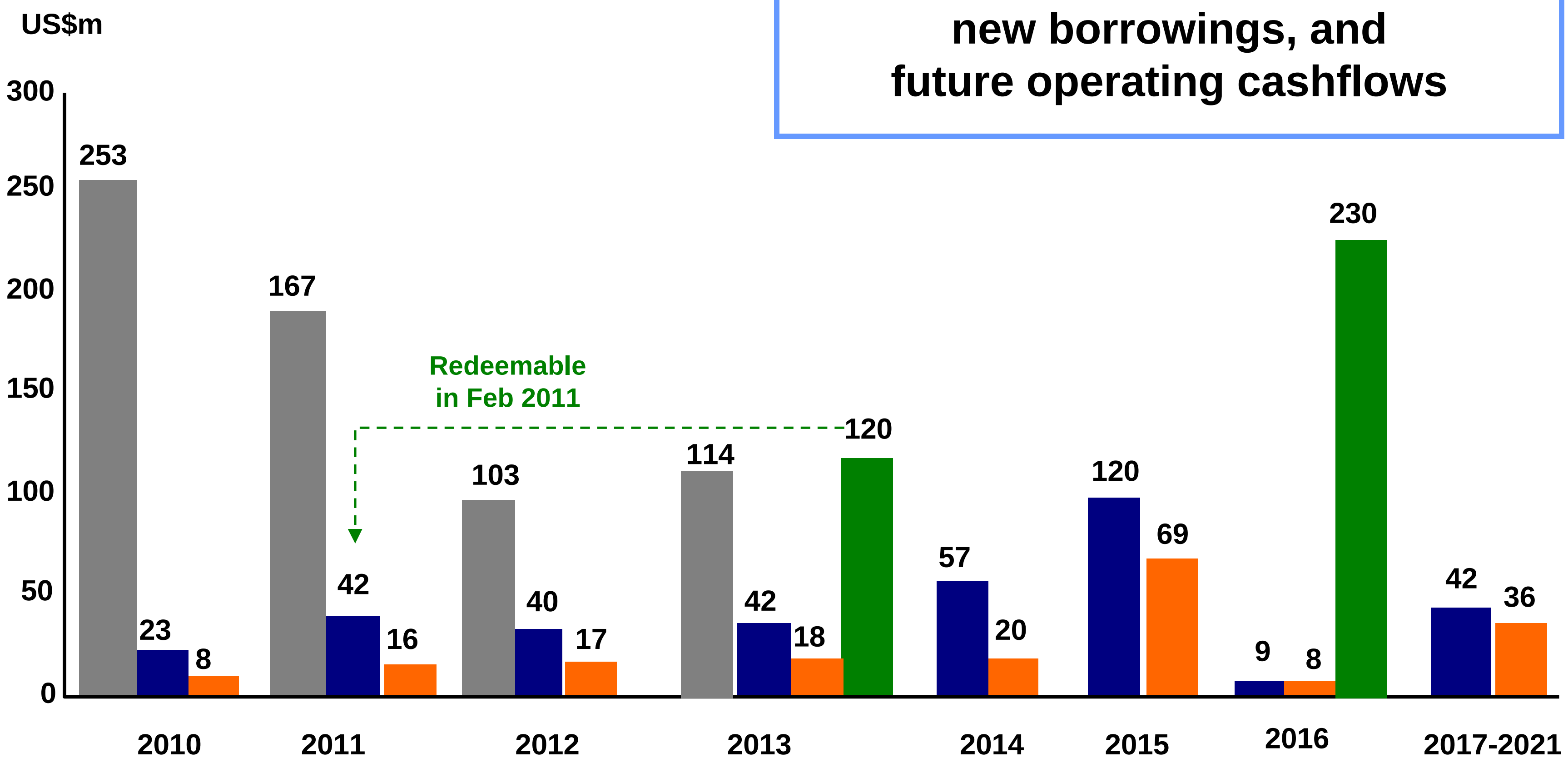
US$m	PB Dry Bulk	PB EIS	PB RoRo	Treasury	30 Jun 10	31 Dec 09
Vessels & other fixed assets	725	177	194	-	1,122	998
Total assets	874	264	241	950	2,471	2,470
Long term borrowings	192	35	52	594	873	877
Total liabilities	291	45	55	597	1,020	1,014
Net assets	583	219	186	353	1,451	1,456
Net cash					96	229
Net cash / Fixed assets					9%	23%
Net cash / Shareholder's equity					7%	16%

Notes: 30 June 2010 total includes other segments and unallocated

Borrowings and Capex

As at 3 August 2010 +
15 Nov 2010 announcement

Funded from US$970m cash, new borrowings, and future operating cashflows



- Vessel capex (including a RoRo purchase option) (US$637m)
- Bank borrowings (gross of loan arrangement fee) (US$375m): 2012-2021
- Finance lease liabilities (US$192m): 2015-2017
- Convertible Bonds (Face value US$120/230m): 2013/2016, redeemable in Feb2011/Apr2014

Cashflow

Period ended 31 June 2010

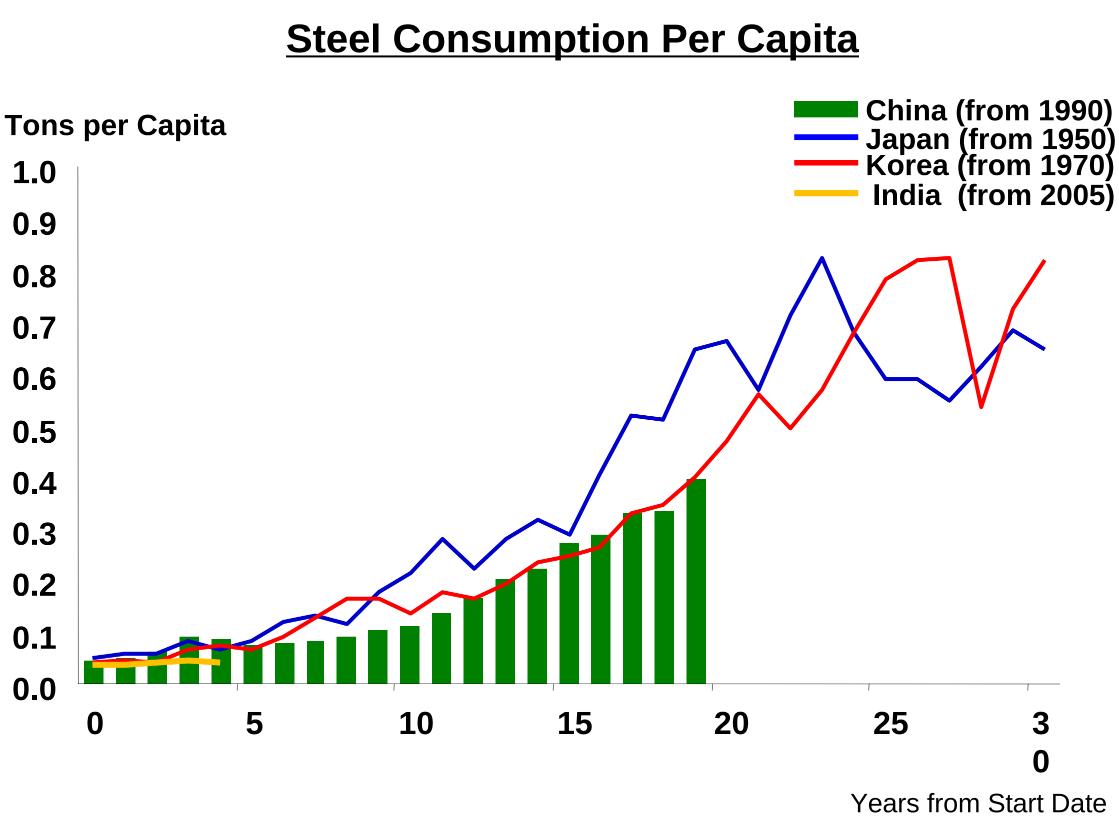
US$m	1H10	1H09
Operating cash inflows	**83**	**61**
Investing cash out / inflows	**(142)**	**13**
- Vessels & other fixed assets related payments	(187)	(171)
- Sales of vessels	-	105
- Jointly controlled entities related payments and receipts	(13)	40
- Net receipts from forward foreign exchange contracts	-	17
- Change in restricted cash & notes receivables	46	13
- Others	12	9
Financing cash (out) / inflows	**(31)**	**57**
- Proceeds from issuance of convertible bonds	227	-
- Repurchase of convertible bonds	(194)	(9)
- Net repayment of borrowings and finance lease	(5)	(14)
- Proceeds from placement	-	97
- Dividends paid	(37)	-
- Others, mainly interest paid	(22)	(17)
Cash and bank deposits	**970**	**1,141**

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:
China at late-Industrialisation Stage



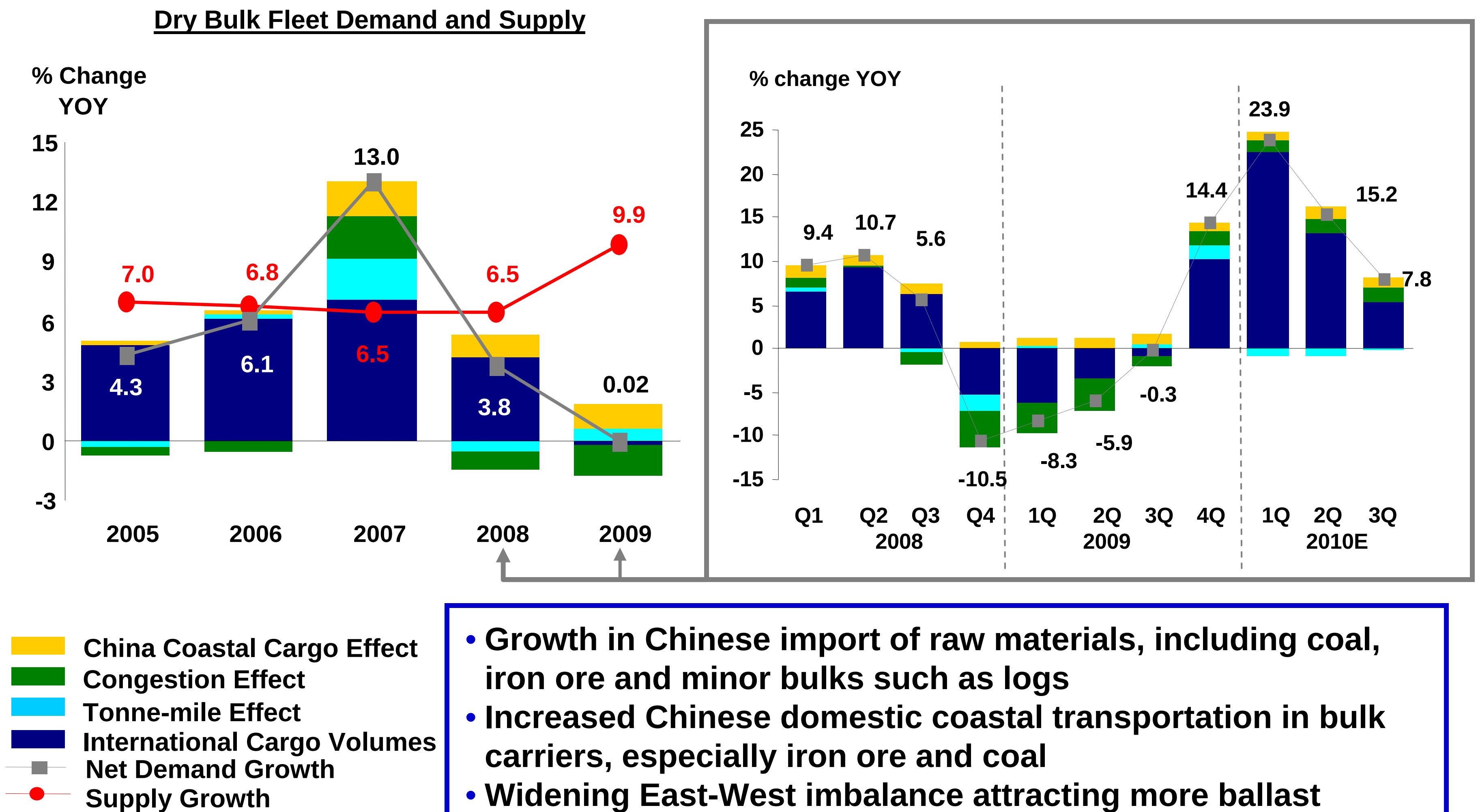
Source: UBS, IISI, Pacific Basin

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: Dry Bulk Demand

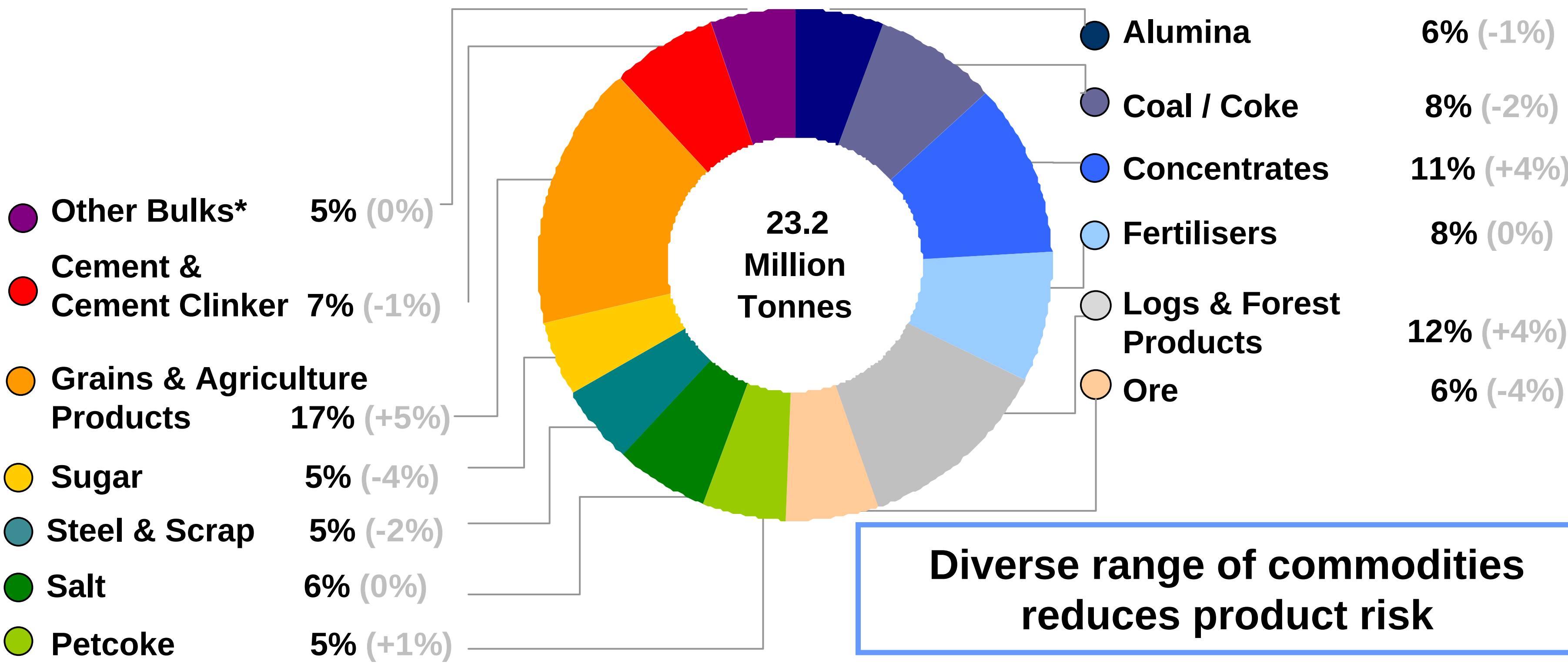


- Growth in Chinese import of raw materials, including coal, iron ore and minor bulks such as logs
- Increased Chinese domestic coastal transportation in bulk carriers, especially iron ore and coal
- Widening East-West imbalance attracting more ballast vessels from Far East to distant load ports for return cargoes

Source: R.S. Platou, Clarksons

Appendix:
Pacific Basin Dry Bulk - Diversified Cargo

Pacific Basin Dry Bulk Cargo Volume Q1-Q3 10
(Handysize and Handymax)



Diverse range of commodities reduces product risk

Australia, USWC and China were our largest loading & discharging zones respectively

**Other bulks: Gypsum and Sands*
( ) % changes against 2009

Appendix:
Paciifc Basin Dry Bulk – Handymax

As at 30 June 2010

		1H10	1H09	Change
Revenue days	(days)	5,570	5,150	+8%
TCE earnings	(US$/day)	23,680	19,840	+19%
Owned + chartered cost	(US$/day)	22,050	17,580	+25%
Segment net profits	(US$m)	8.8	11.5	-23%
Return on net assets	(%)	32%	102%	-70%

Earnings:

- 1H10 TCE rates reflect demand strength

Costs:

- Blended daily costs reflect higher chartered-in costs from the market

Segment result excludes:

- US$6.1m unrealised net derivatives expenses

Appendix:
PB Energy & Infrastructure Services
PB RoRo

As at 30 June 2010

	1H10	1H09
PB Energy & Infrastructure Services		
Offshore and project supply and harbour towage services ("Towage")	(1.2)	1.6
Fujairah Bulk Shipping ("FBSL")	4.5	4.1
PacMarine Services	0.7	0.9
Segment net profit	**4.0**	**6.6**
PB RoRo segment net profit	**0.5**	**(0.4)**

PB E&I

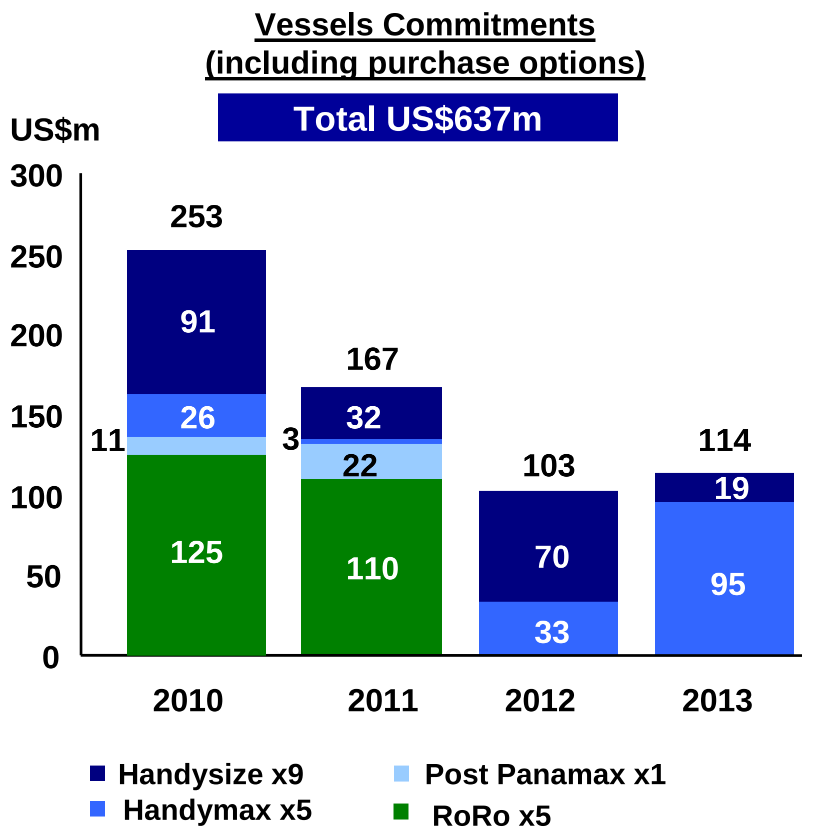
- Towage: Consolidation phase; Operating 40 tugs & barges
- FBSL: Reclamation project proceeding
- PacMarine: Ship survey and inspection services

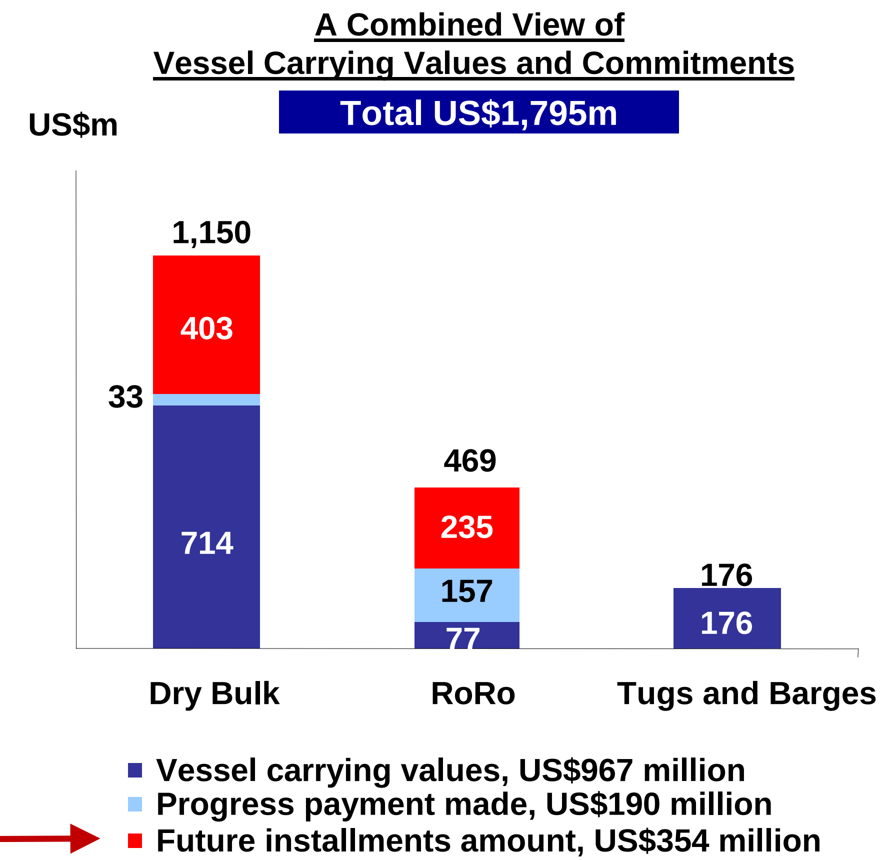
PB RoRo

- First RoRo vessel operated from September 2009

Appendix: Capex and Combined Value by Vessel Types

As at 3 August 2010 +
15 Nov 2010 announcement





Further commitments expected in dry bulk

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$7.79 (with effect from 16 April 2010)
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 remaining part of the Existing Convertible Bonds should bondholders' request on 1 Feb 2011 or maturity in 2013
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