



Stock Code: 2343

Pacific Basin

UBS – Greater China Conference 2009
Shanghai, January 2009

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

Q308 Highlight

- ▶ 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

Year	Handysize		Handymax	
	Cover	US\$/day *	Cover	US\$/day
2008	93%	31,340	101%	45,070
2009	43%	22,580	107%	33,360

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

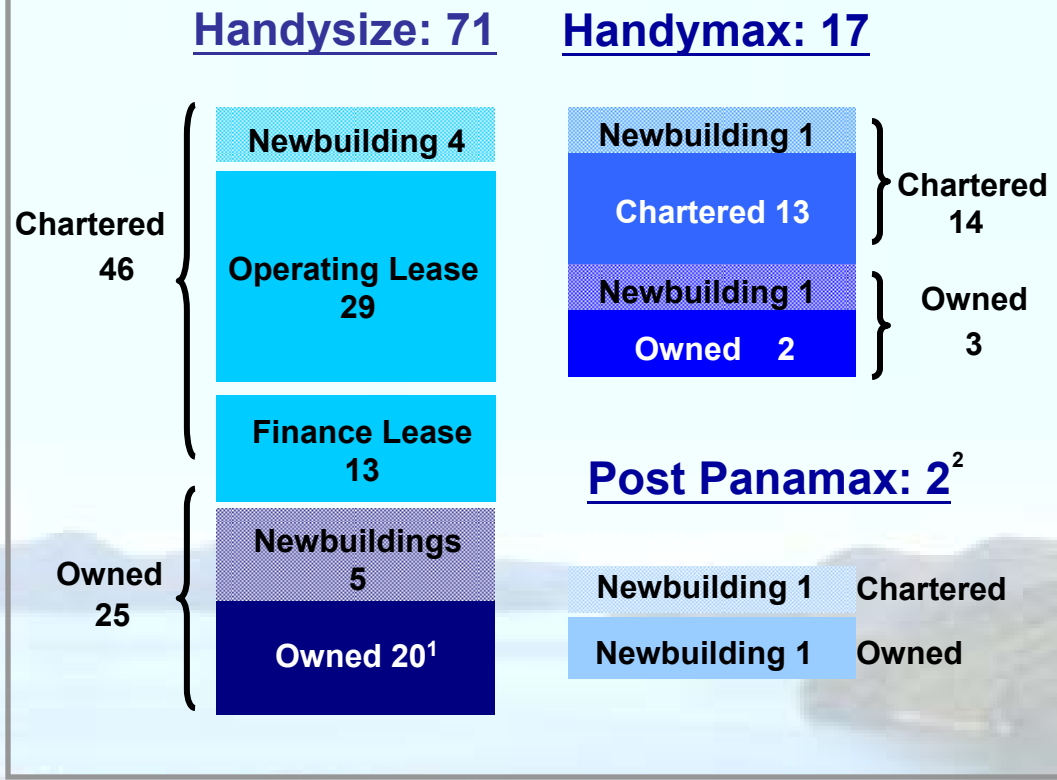
Fleet Profile

Fleet numbers as at 17 Dec 2008

Total **149** ships

Dry Bulk Fleet – 90

Short Term Chartered - 27



Includes 10 chartered-in vessels with purchase options

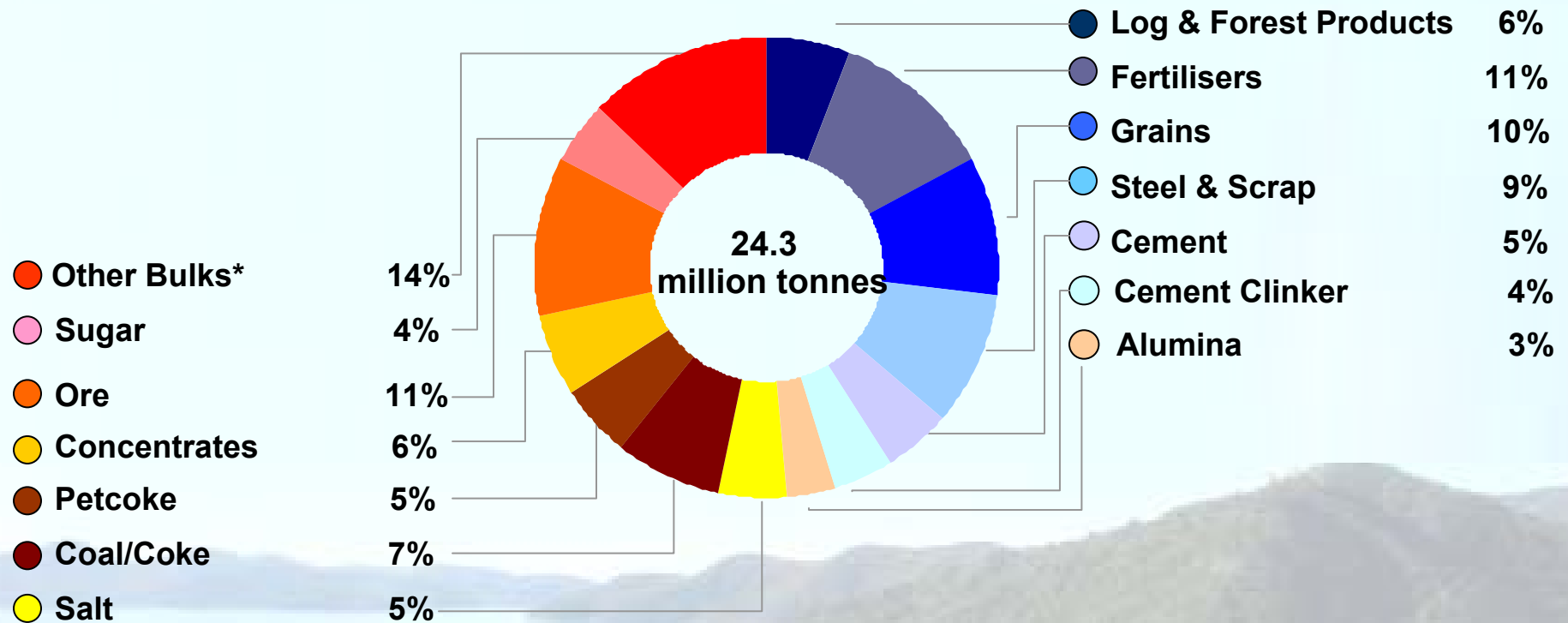
¹The Group has a 63.5% interest in 1 owned vessel

²The 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



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

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

Market Information

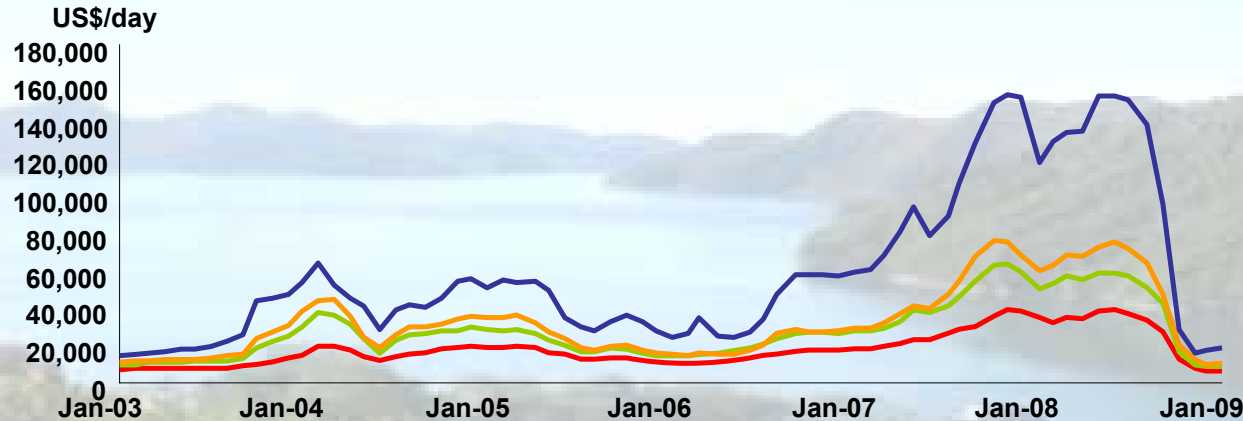
The Baltic Dry Index (BDI)



The Baltic Handysize Index (BHSI)



Dry Bulk 1 Year Time-Charter Rate



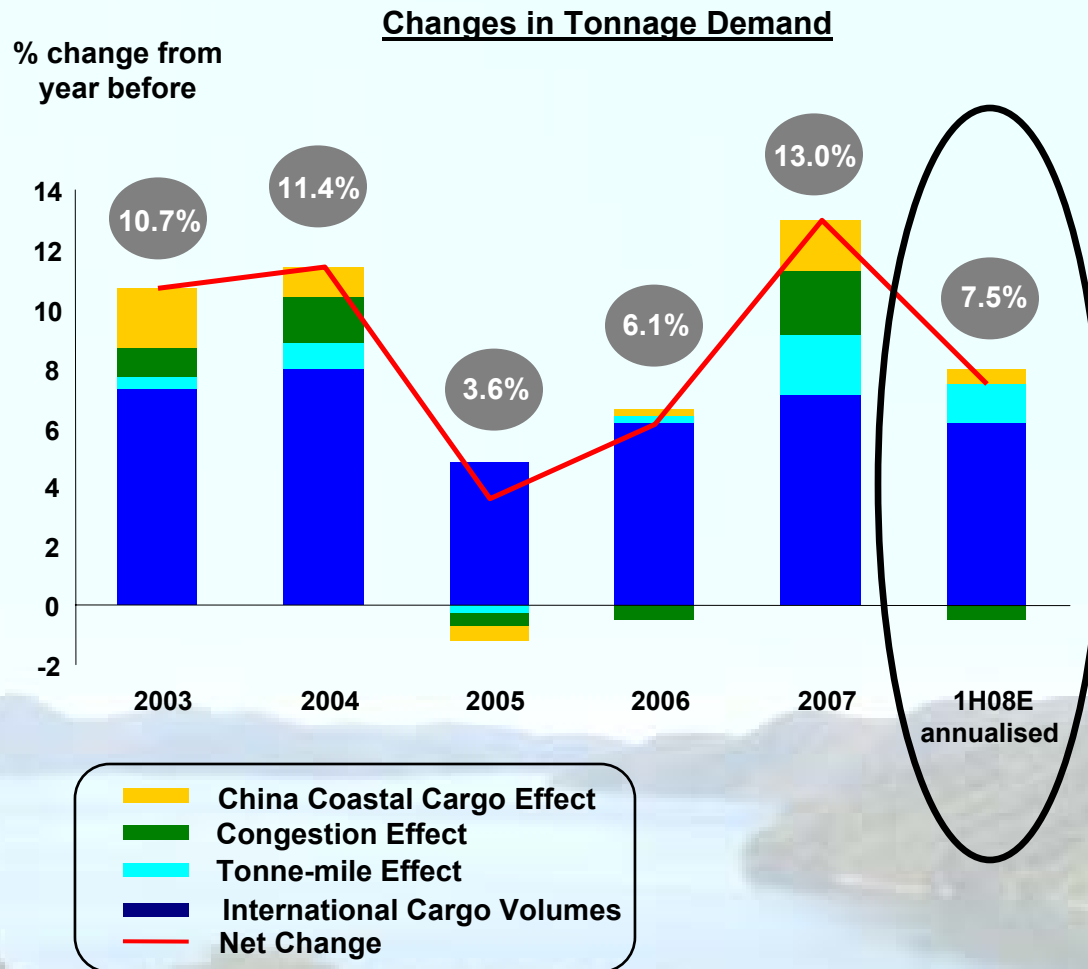
As at 2 Jan 2009

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

Tonnage Demand Contracting







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

In long term, industrialisation of China, India and other countries will support the dry bulk demand for many years.

Source: R.S. Platou 1H2008

Lower Orderbook in Handysize

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

**Significant
orderbook
slow down
in Q308**

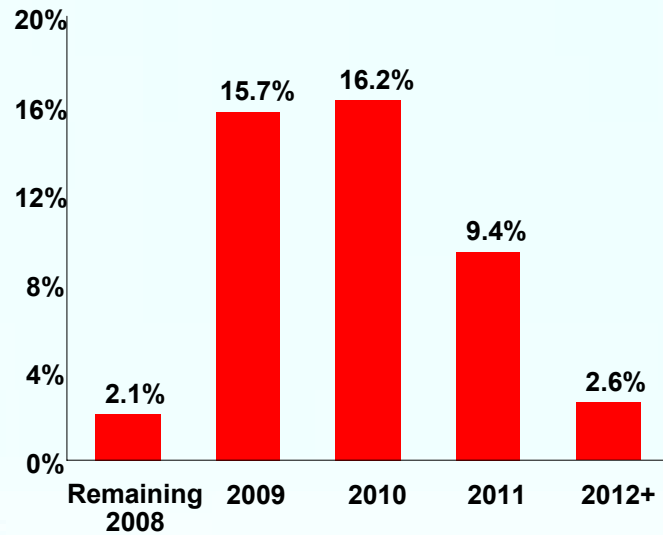
**Financial crisis
limited desire
& ability to order**

Source: Clarkson 1 Nov 2008

Note: * >10,000 Dwt

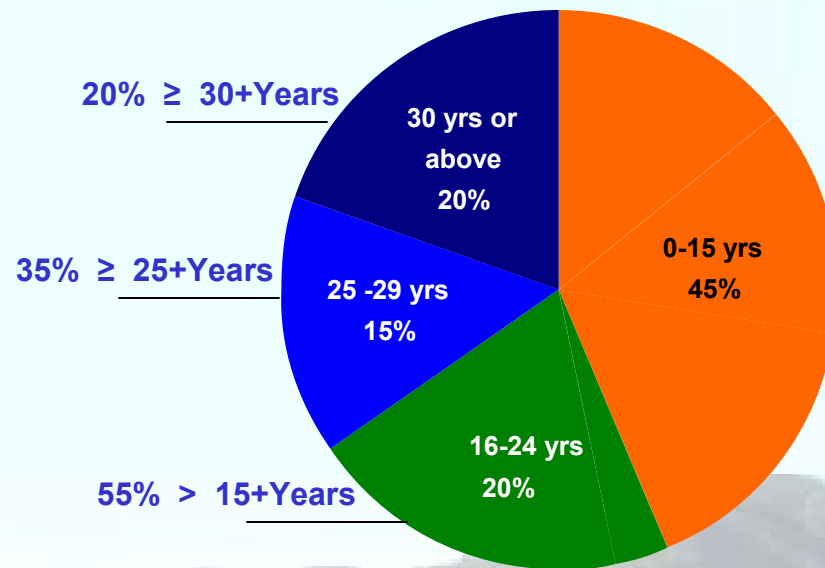
Ageing Handysize Fleet

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



Existing Fleet

Total handysize 25,000- 34,999 dwt fleet :
 1,297 Vessels (38.1 mil dwt)



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)



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

Market turbulence affect the second hand vessel prices

No modern handysize vessels have been sold since August

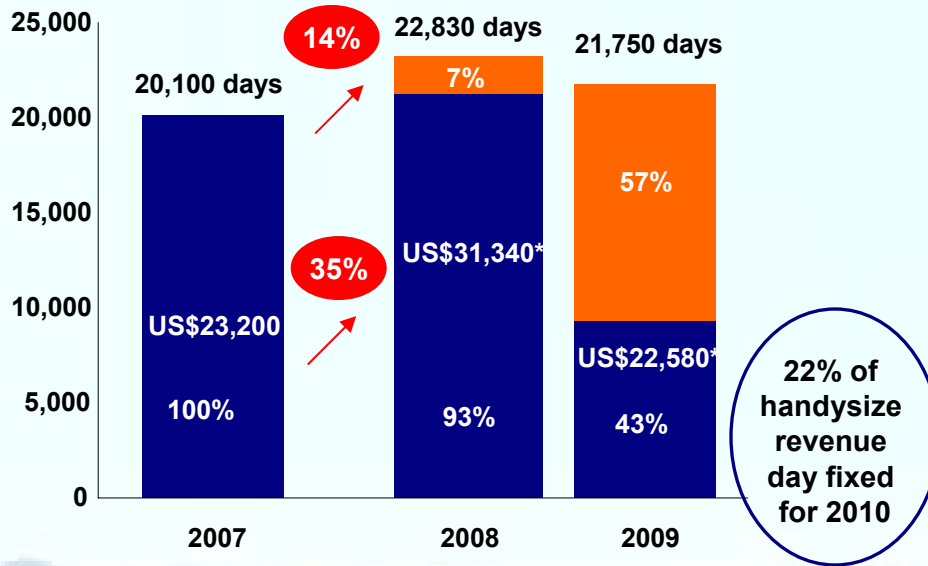
Source: Clarkson, 3 Oct 08

Earnings Coverage

Earnings coverage as at 27 October 2008

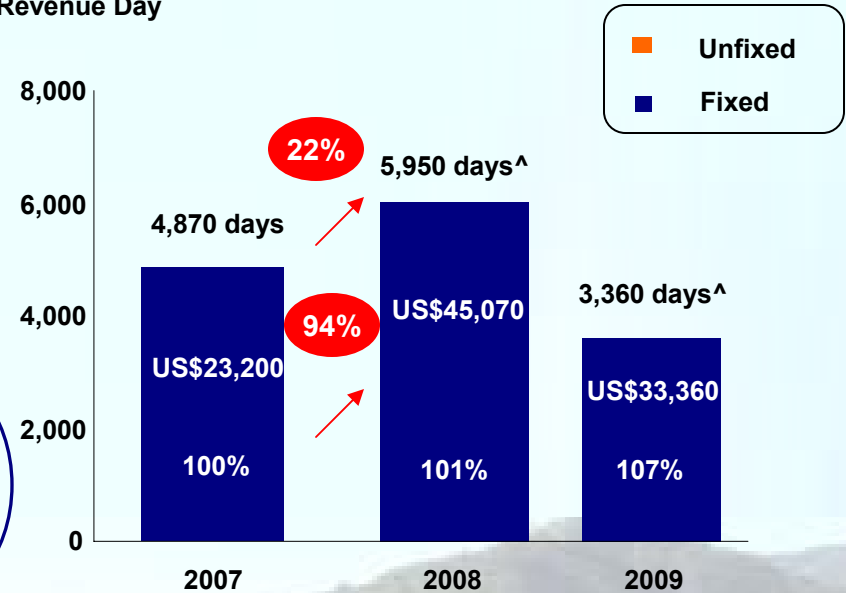
Handysize

Revenue Day



Handymax

Revenue Day



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

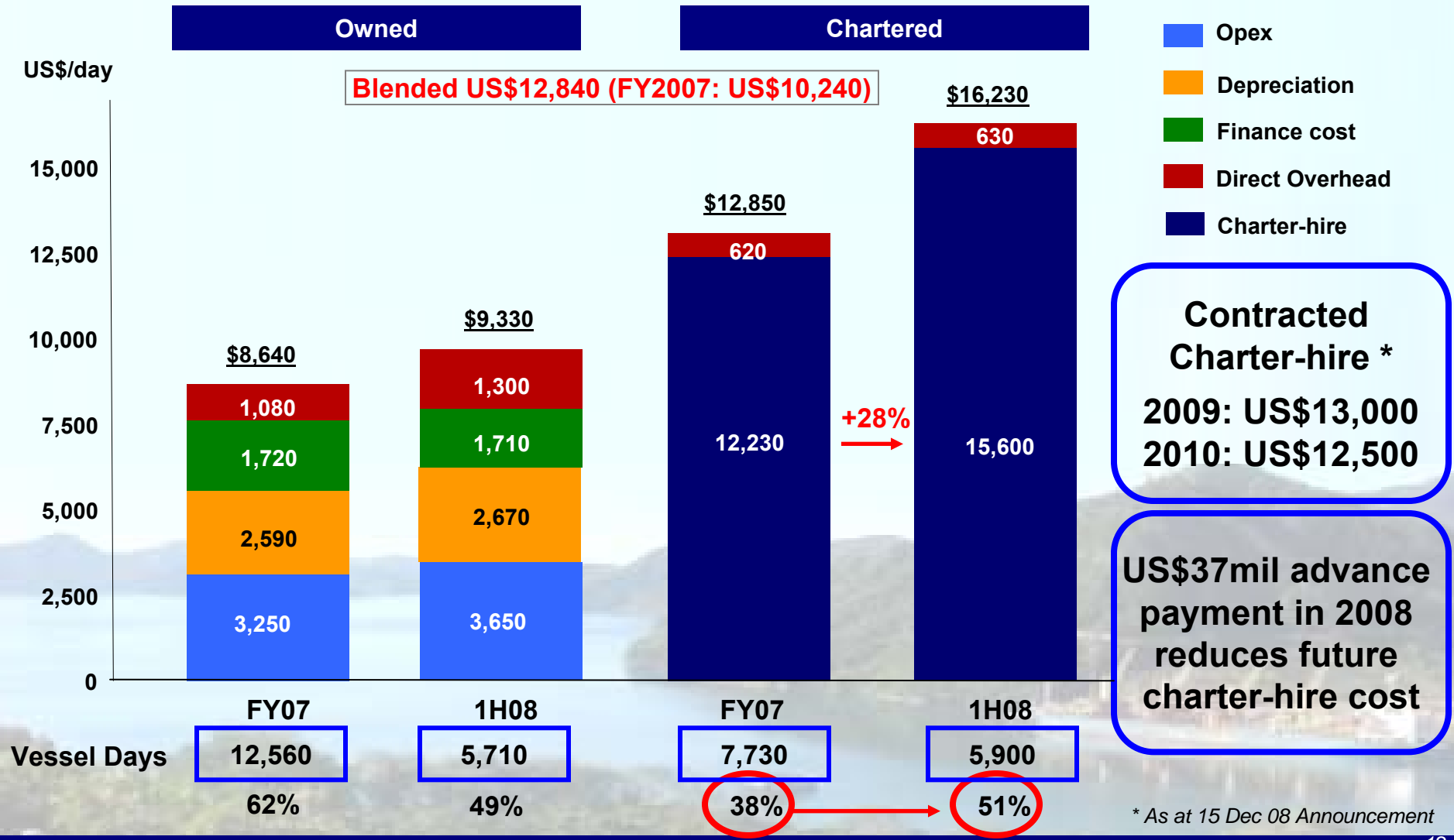
A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve

* Exclude any execution premium

[^] Exclude 2 handymax vessels on long term charter

Daily Vessel Costs - Handysize

As at 1H08



Vessel Days

FY07

12,560

62%

1H08

5,710

49%

FY07

7,730

38%

1H08

5,900

51%

Balance Sheet

US\$mil

Net book value of fixed assets ¹

Gross borrowings

Cash

Net cash / (borrowings)

Shareholder's equity

Net cash (borrowings) / Fixed assets

Net cash (borrowings) / Shareholder's equity

30 Jun 08

898.6

612.3

804.3

192.0

1,333.2

21.1%

14.4%

31 Dec 07

755.9

660.2

649.5

(10.7)

867.6

(1.4)%

(1.2)%

Note 1

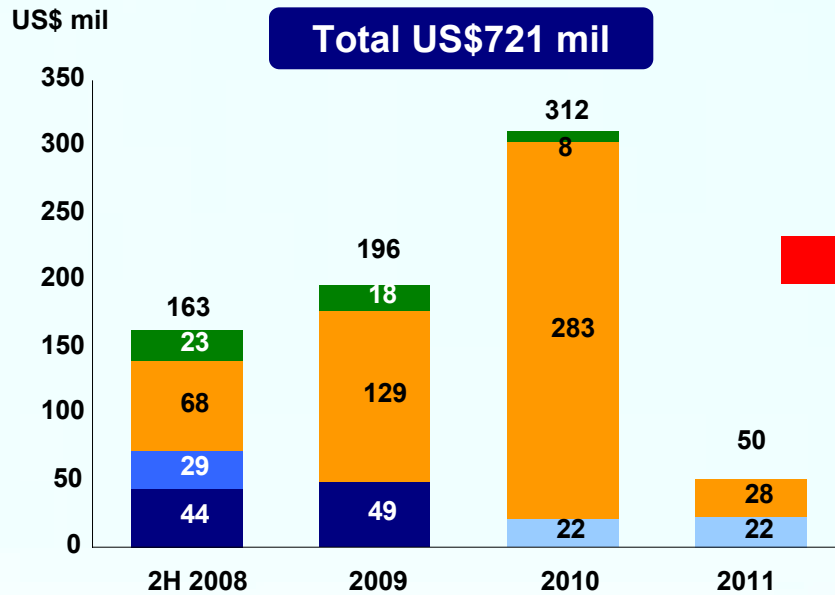
35 delivered dry bulk, NBV = US\$667m

Avg NBV: HS: US\$18.6m, HM: US\$23.9m

Capex and Combined Value by Vessel Types

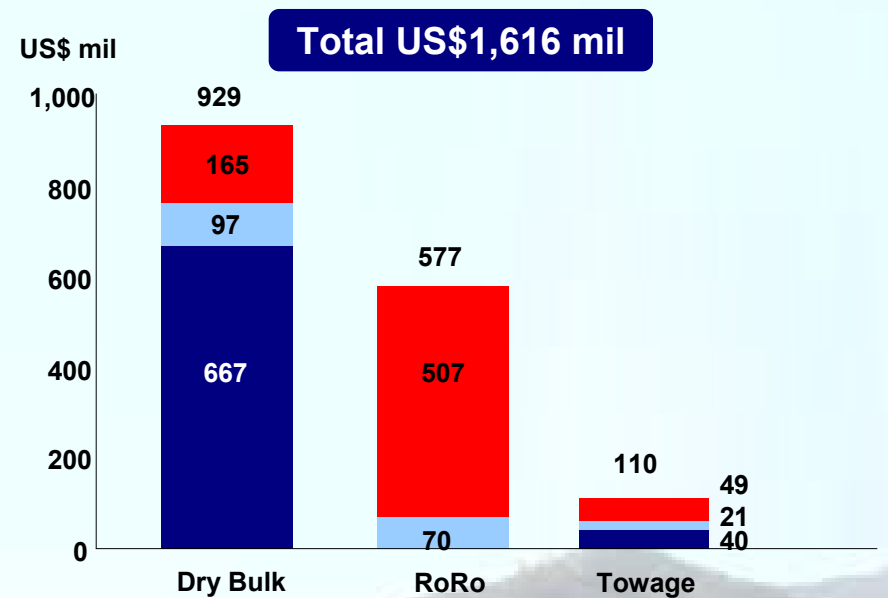
As at 4 Aug 08

Vessels Commitments



- Handysize
- Handymax
- Post Panamax
- RoRo
- Tug & Barge

A Combined View of Vessel Carrying Values and Commitments





- Unpaid Contract Amount US\$721mil
- Progress Payment Made US\$188 mil
- Vessels Carrying Values US\$707 mil

Funded from existing cash + new debt

Further commitments expected in these areas

Business Development

<p>Roll on Roll off (RoRo)</p>	<ul style="list-style-type: none"> ▶ 6 newbuildings will deliver in 2009 to 2011 including 2 purchase options ▶ Good demand prospects, high average fleet age and low orderbook
<p>Fujairah Bulk Shipping</p>	<ul style="list-style-type: none"> ▶ Strategy to be the market leader in sourcing and transporting aggregate in the Gulf region ▶ In 1H08, US\$1.4m profit recorded (PB share)
<p>Ports and Port Services</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="172 998 302 1097">  <p>PB Towage</p> </div> <div data-bbox="352 998 491 1097">  <p>Asia Pacific Maritime & Infrastructure Group</p> </div> </div>	<p>PB Towage</p> <ul style="list-style-type: none"> ▶ Operates modern tugs in Brisbane, Sydney, Melbourne, W.Aus and the Arabian Gulf ▶ Acquisition of Sea-Tow in New Zealand <p>APMIG - Nanjing Longtan Tianyu Terminal (45% holding JV)</p> <ul style="list-style-type: none"> ▶ 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

Year	Handysize		Handymax	
	Cover	US\$/day *	Cover	US\$/day
2008	93%	31,340	101%	45,070
2009	43%	22,580	107%	33,360

** 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

	1H08	1H07
TCE Earnings (US\$m)	586.4	269.2
Reported net profit	337.6	162.9
Less: Vessel disposal gains	(38.6)	(50.2)
Net profit before disposal gains	299.0	112.7
Basic EPS (HK¢)	162	81
Return on average shareholders' equity	68%	63%
Interim dividends (HK¢ per share)	76.0	45.0
Payout ratio	50%	55%

Appendix - Results – Handysize Freight & Charter-hire

Drivers of the results

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

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

Drivers of the results

		1H08	1H07	% Change	FY07
Revenue days	(days)	2,900	2,260	+28%	4,870
TCE earnings	(US\$/day)	46,100	25,180	+83%	30,040
Owned + chartered cost	(US\$/day)	32,940	20,580	+60%	23,050
Contribution	(US\$m)	38.2	10.0	+282%	34.0

More chartered in vessels
Increased revenue days

1H08 TCE rates reflect use of
short term chartered in vessels

Appendix – Impact of Financial instruments

US\$ million	Six months ended 30 June			
	Realised	Unrealised	2008	2007
Net Gains / (Losses)				
Interest rate swap contracts	(0.2)	(0.4)	(0.6)	1.2
Bunker swap contracts	10.0	44.9	54.9	5.8
Forward freight agreements	(10.4)	(1.3)	(11.7)	(21.4)
	(0.6)	43.2	42.6	(14.4)

**Completed in period
& cash settled**

**i) Contracts to be settled
in future period
+
ii) Accounting reversal of
earlier period contracts
now completed**

Appendix – Cashflow

US\$m

Operating cash inflows

Investing cash in/ (out) flows

- Payments for vessels and other fixed assets
- Sales of vessels
- Purchase of available-for-sale financial assets
- Investment in jointly controlled entities
- Others, mainly restricted cash & interest received

Financing cash in/ (out) flows

- Proceeds from placement of shares, net of expenses
- Net repayment of borrowings
- Dividends paid
- Others, mainly interest paid

Cash at 30 June

1H08

1H07

284.2

97.0

(217.5)

10.2

(201.2)

(167.6)

80.6

176.0

(40.3)

-

(37.4)

-

(19.2)

1.8

54.0

(87.2)

271.0

-

(51.6)

(30.9)

(152.8)

(45.0)

(12.6)

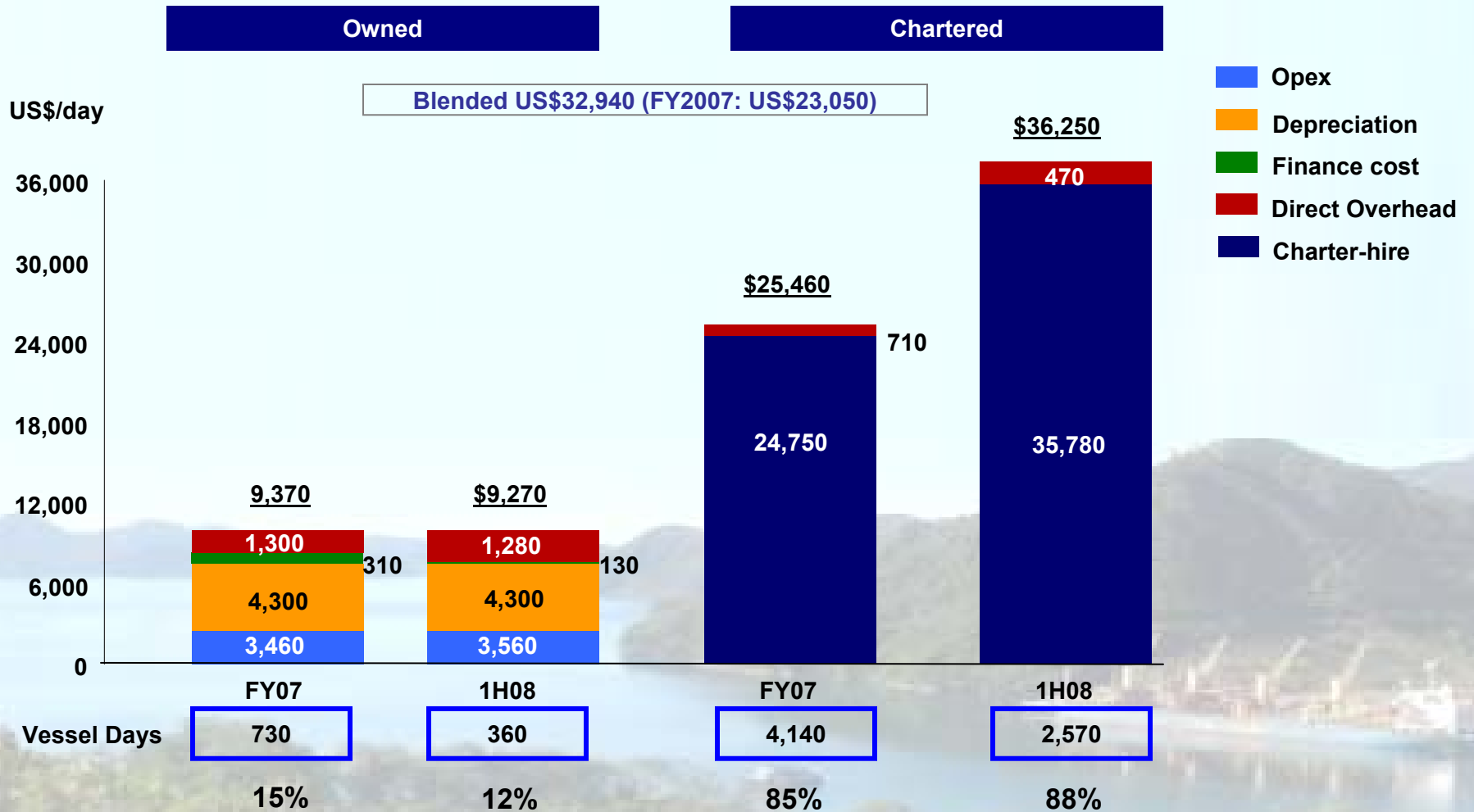
(11.3)

804.3

83.3

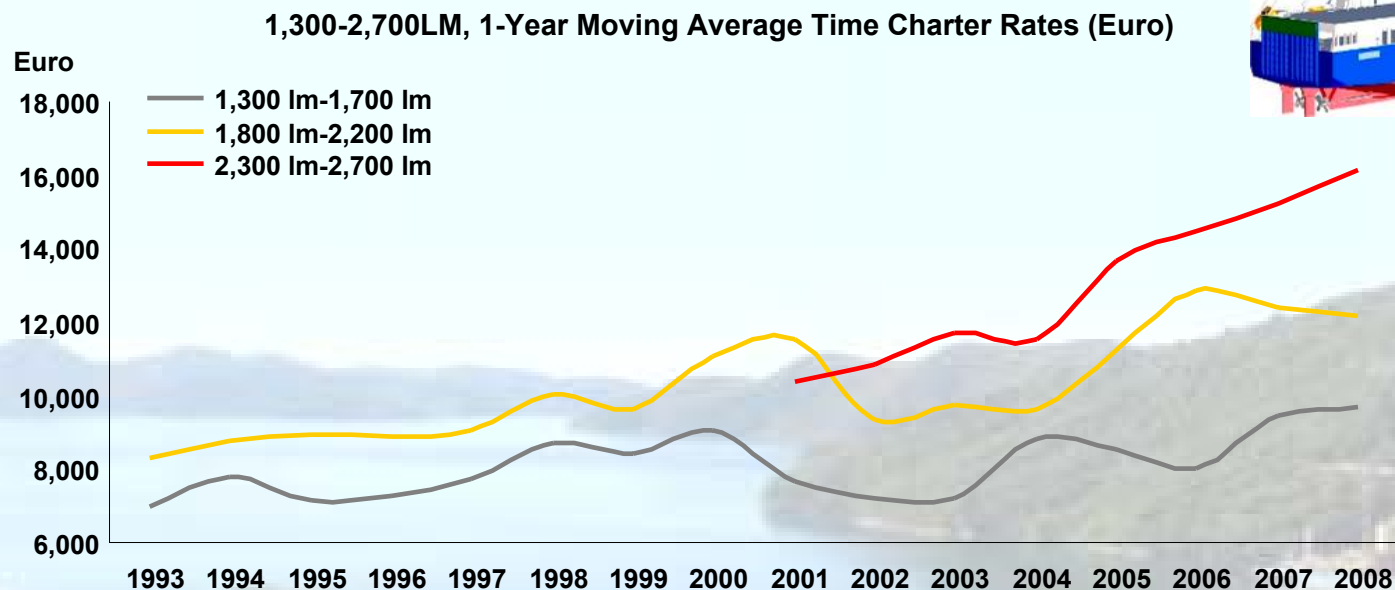
Appendix – Daily Vessel Costs – Handymax

As at 1H08



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

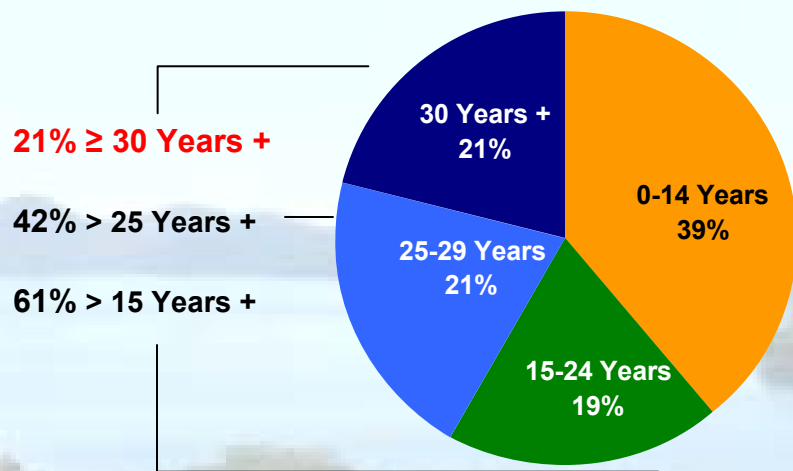


Source: Maersk Broker June 2008

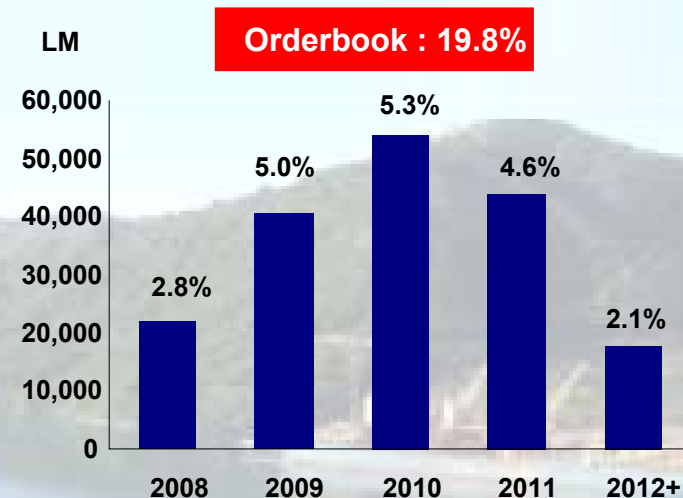
Appendix – Attractive RoRo Sector

- ▶ **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



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



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**