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
- Over 170 vessels serving major industrial customers around the world
- Hong Kong headquarters, 21 offices worldwide, 360+ Group staff, 1,700+ seafarers *

* As at 1 July 2010
2010 Interim Results Highlights

- Net Profit: US$51.9m (1H09: US$74.8m)
- Underlying Profit: US$65.6m (1H09: US$56.8m)
- Basic EPS: HK$0.21 (1H09: HK$0.32)
- Annualised ROE: 7% (1H09: 12%)
- Operating cash flow: US$83m (1H09: US$61m)
- 1H10 Dividend per share (HK$): HK$0.05 (1H09: HK$0.08)

- Much improved half year for handysize & handymax bulk carriers
  (In line with our March 2010 outlook)
- Dry bulk market has fallen significantly since end May because of:
  - seasonally reduced activity in June and into third quarter;
  - fall in Chinese commodities imports, cooling measures in the Chinese property market, etc.
  - increased vessel deliveries
- Purchased 9 dry bulk vessels and long term chartered another 5 since reviving our fleet expansion activity in Dec 2009

2H2010 view: Neutral, we expect:
- recovery later in the year due to seasonal rebound and China restocking
  on balance a half year that is somewhat weaker than first half 2010
- but still generating profitable rates for our dry bulk ships
Sector Earnings Performance 1H2010 versus average 2H2009

Handysize earnings were stronger throughout 1H2010 than average earnings of 2H2009

Panamax earnings were mostly weaker throughout 1H2010 than average earnings of 2H2009

5 Year Old 28,000 Dwt Vessel Values

Jul08: US$45 m
Dec09: US$22m +7% in 2009
Jul10: US$26m +18% in 2010

Source: Clarksons (up to Oct 2008, since Jan 2010), Aggregate brokers estimates (from Oct 2008 to Dec 2009)
The Baltic Exchange
Pacific Basin Chinese Dry Bulk Trade

**China is a Net Importer of Coal**

- **2005** - 180 million tonnes
- **2006** - 145 million tonnes
- **2007** - 145 million tonnes
- **2008** - 145 million tonnes
- **2009** - 145 million tonnes
- **2010E** - 145 million tonnes

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

Thermal coal consumption fell in 2Q10, but demand picked up strongly in hot summer.

**China net imports increased dramatically since 2009**

Source: Clarksons, Bloomberg LP
Dry Bulk Demand

Dry Bulk Fleet Demand and Supply

% Change YOY

% change YOY

• 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
**Dry Bulk Orderbook**

**Total Dry Bulk >10,000 Dwt**
- 61% (66%)
  - Capesize: 81% (96%), Average Age: 11
  - Panamax: 58% (50%), Average Age: 12
  - Handymax (35,000-59,999 Dwt): 48% (58%), Average Age: 15
  - Handysize (25,000-34,999 Dwt): 38% (46%), Average Age: 15

**Scheduled Orderbook by Year**

<table>
<thead>
<tr>
<th>Million Dwt</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>6.8%</td>
<td>18%</td>
<td>15%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Handysize Scheduled Orderbook**
- 492 vessels (15.5 million dwt) - 38%

**Handysize Age Profile**
- 0-15 years: 57%
- 16-24 years: 14%
- 25-29 years: 17%
- 30+ years: 12%

**Remaining Orderbook**
- Recorded Delivery YTD
- Remaining Orderbook

**Source:** Clarksons 1 July 2010, *Handysize is defined as 25,000-34,999 Dwt, ( ) % as at 1 July 2009

- Ageing fleet with relatively small orderbook for handysize sector
- 29% of handysize fleet is over 25 years old
Dry Bulk Fleet Changes

Dry Bulk Fleet Delivery & Scheduled Orderbook 2010

- In 1H10, 33.6 million tonnes (6.8%) delivered to the dry bulk fleet
- YOY net fleet expansion is 13.9%

Dry Bulk Net Fleet Growth By Sector

- We expect a large shortfall in deliveries for the full year as last year (2009: 41% shortfall)
- 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 26 July 2010)**

<table>
<thead>
<tr>
<th></th>
<th>Handysize</th>
<th>Handymax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>US$14,500</td>
<td>US$16,260</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>86%</td>
</tr>
<tr>
<td>2010</td>
<td>US$16,260</td>
<td>US$14,300</td>
</tr>
<tr>
<td></td>
<td>86%</td>
<td>30%</td>
</tr>
<tr>
<td>2011</td>
<td>US$14,940</td>
<td>US$23,520</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>96%</td>
</tr>
<tr>
<td></td>
<td>18,940 days</td>
<td>9,170 days</td>
</tr>
<tr>
<td></td>
<td>26,100 days</td>
<td>25,810 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **2010 Total combined cover: 89%**
- **2011 Total combined cover: 33%**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$18,370</td>
<td>79%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **2009**
  - 100%
  - 86%
  - 30%

- **2010**
  - 100%
  - 96%

- **2011**
  - 96%

**Pacific Basin Dry Bulk Fleet: 125**

(as at 31 July 2010)

- Average age: 6.7 years

- **1,770 days** US$18,370
- **79%**
- **100%**
- **30%**

**Strategy:**

- **Dry bulk net profit in 1H10: US$78.5m**
  - Handysize: US$69.7m
  - Handymax: US$8.8m

- **Handysize: Handymax**

- **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 5 ships

- **Purchased**
  - 9 ships
  - 1 NB

- **Long-term chartered**
  - 5 ships

- **As at 31 July 2010**

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

- **Excludes 2 handymax vessels on long term charter out**

- **NB Newbuilding**

- **Post-Panamax**

---

*Images and diagrams included as per the document's content.*
Dry Bulk Outlook

- Seasonal demand increase in 4Q10
- Revival in Chinese raw materials imports
- Continued global economic recovery, especially in the developing countries
- Slippage and non-realisation of 2010 scheduled newbuilding deliveries

- Heightened risk of unprecedented vessel supply growth
- Unwinding Chinese economic stimulus such as the cooling measures on the property market
- Reduced Chinese iron ore demand due to margins squeeze of steel mills & increased domestic sourcing
- Flatter than expected recovery in US and hesitant growth in Europe

PB Conclusion
2H2010 view: Neutral, we expect:
- recovery later in the year due to seasonal rebound and China restocking on balance a half year that is somewhat weaker than first half 2010
- but still generating profitable rates for our dry bulk ships
PB Energy & Infrastructure Services

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

PB Energy & Infrastructure Services
- Offshore/project supply & harbour towage services (“Towage”) US$m
  - FBSL
  - PacMarine Services
  - PB Towage Australia (Harbour Towage)
  - PB Towage Middle East (Offshore Projects)

Segment net profit in 1H10:
- PB Towage Australia (Harbour Towage)
- PB Towage Middle East (Offshore Projects)

- Annualised return on net assets: 4% (1H09:10%)
- 1H10 Performance:
  - Commencement of harbour towage service in Port of Townsville
  - New services under long term exclusive service licenses at 3 bulk ports
  - Production on FBSL’s reclamation project adjusted to originally budgeted levels to complete at least 3 months ahead of schedule
  - Recently expanded our marine surveying and consultancy business into South America and NE United States
Energy & Infrastructure – Outlook

• 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

• 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

• Anticipate hesitant new demand for offshore towage support services in Australia and the Middle East in the short term
• Only marginal improvement in Australian harbour towage demand in balance 2010
• Uncertain pace of recovery in Middle East infrastructure market
• Expect a less than satisfactory outlook for energy and infrastructure services:
  • Weak towage and infrastructure markets with limited scope for improvement in 2010
  • Only a budgeted contribution from FBSL with cautious view
PB RoRo

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

• Vessel “Humber Viking” fixed to Norfolk Line for 3 years, operating between Holland and UK
• 5 newbuildings remain on order
  • 2 chartered in vessels with purchase options to deliver late 2010
  • 3 postponed newbuildings deliver in 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: 5.9% in 1H10
• Almost complete lack of newbuilding orders since recession

Source: Maersk Broker, data as at June 2010
RoRo – Outlook

• Global and especially European economic recovery to support modest growth in trailer volumes and short-sea RoRo trades
• Significant benefit of a weaker Euro to the European export sector
• Scrapping to limit degree of overcapacity

PB Conclusion
• Sluggish trade in Europe though there are signs of improvement in activity
• We expect challenging trading environment for RoRos to continue throughout 2010 and 2011, with recovery in 2012
• Remain positive about the sector in the more distant future

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

As at 30 June 2010

<table>
<thead>
<tr>
<th>Segment net profit</th>
<th>1H10</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>81.1</td>
<td>65.7</td>
</tr>
<tr>
<td>Non direct G&amp;A</td>
<td>(11.8)</td>
<td>(4.4)</td>
</tr>
<tr>
<td></td>
<td>(3.7)</td>
<td>(4.5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Underlying profit</th>
<th>1H10</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>65.6</td>
<td>56.8</td>
</tr>
<tr>
<td>Unrealised derivative (expenses)/income</td>
<td>(13.7)</td>
<td>15.0</td>
</tr>
<tr>
<td>Future onerous contracts - net provision write-back</td>
<td>-</td>
<td>5.5</td>
</tr>
<tr>
<td>Net dry bulk vessel disposal losses</td>
<td>-</td>
<td>(2.5)</td>
</tr>
</tbody>
</table>

| Profit attributable to shareholders | 51.9 | 74.8 |

Returns on net assets (annualised)

<table>
<thead>
<tr>
<th>Pacific Basin Dry Bulk</th>
<th>1H10</th>
<th>27%</th>
</tr>
</thead>
<tbody>
<tr>
<td>PB EIS</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>PB RoRo</td>
<td></td>
<td>1%</td>
</tr>
</tbody>
</table>

Segment Net Profit versus Net Assets

<table>
<thead>
<tr>
<th>US$ Million</th>
<th>Net Profit</th>
<th>Net Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Basin Dry Bulk</td>
<td>78.5</td>
<td>583.0</td>
</tr>
<tr>
<td>PB Energy &amp; Infrastructure Services</td>
<td>4.0</td>
<td>218.8</td>
</tr>
<tr>
<td>PB RoRo</td>
<td>0.5</td>
<td>186.4</td>
</tr>
</tbody>
</table>
### Pacific Basin Dry Bulk – Handysize

**As at 30 June 2010**

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

**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

US$/day  
Opex  
Depreciation  
Finance cost  
Direct overhead  
Charter-hire

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

Charter-hire days & rates 2010-2012

US$13,850  
US$10,910  
12,820 days  
US$10,720  
3,870 days  
3,920 days

Charter days  
Charter-hire

Vessel Days  
2009  1H10  2009  1H10

11,200  6,320  15,010  7,740

43%  50%  57%  50%
# Balance Sheet

As at 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>US$m</th>
<th>30 Jun 10</th>
<th>31 Dec 09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vessels &amp; other fixed assets</strong></td>
<td>PB Dry Bulk</td>
<td>PB EIS</td>
<td>PB RoRo</td>
</tr>
<tr>
<td></td>
<td>725</td>
<td>177</td>
<td>194</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>874</td>
<td>264</td>
<td>241</td>
</tr>
<tr>
<td><strong>Long term borrowings</strong></td>
<td>192</td>
<td>35</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>291</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>583</td>
<td>219</td>
<td>186</td>
</tr>
</tbody>
</table>

|                      |        |           |           |           | 30 Jun 10 | 31 Dec 09 |
| 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
### Cashflow

**US$m**

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating cash inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>61</td>
</tr>
<tr>
<td><strong>Investing cash out / inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Vessels &amp; other fixed assets related payments</td>
<td>(142)</td>
<td>13</td>
</tr>
<tr>
<td>- Sales of vessels</td>
<td></td>
<td>105</td>
</tr>
<tr>
<td>- Jointly controlled entities related payments and receipts</td>
<td>(13)</td>
<td>40</td>
</tr>
<tr>
<td>- Net receipts from forward foreign exchange contracts</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>- Change in restricted cash &amp; notes receivables</td>
<td>46</td>
<td>13</td>
</tr>
<tr>
<td>- Others</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td><strong>Financing cash (out) / inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Proceeds from issuance of convertible bonds</td>
<td>227</td>
<td></td>
</tr>
<tr>
<td>- Repurchase of convertible bonds</td>
<td>(194)</td>
<td>(9)</td>
</tr>
<tr>
<td>- Net repayment of borrowings and finance lease</td>
<td>(5)</td>
<td>(14)</td>
</tr>
<tr>
<td>- Proceeds from placement</td>
<td></td>
<td>97</td>
</tr>
<tr>
<td>- Dividends paid</td>
<td>(37)</td>
<td></td>
</tr>
<tr>
<td>- Others, mainly interest paid</td>
<td>(22)</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Cash and bank deposits</strong></td>
<td>970</td>
<td>1,141</td>
</tr>
</tbody>
</table>
Focus on three core businesses:

- Pacific Basin Dry Bulk
- PB Energy & Infrastructure Services
- PB RoRo

For handysize and handymax bulk carriers, we expect recovery later in the year due to seasonal rebound and China restocking on balance a half year that is somewhat weaker than first half 2010 but still generating profitable rates for our dry bulk ships.

- Continued demand growth in China / Asia
- Neutral outlook overall for dry bulk market 2H 2010
- 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
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: Chinese Iron Ore Demand

China Iron Ore Sourcing for Steel Production

- **Imported**
- **Domestic**
- **Total requirement for steel production** (basis international Fe content level 62.5%)
- Brokers’ predictions on 2010E China’s steel production

Chinese Steel & Iron Ore Prices

**Steel Price (Hot Rolled Coil)**

**Iron Ore Price**

Growth in Chinese import of raw materials, though not at same unprecedented pace as 2009

We expect revival in Chinese commodity imports and restocking, driven by lower Q4 prices under new quarterly iron ore pricing mechanism

Profitability of steel production has been impacted by lower steel prices and higher cost of raw materials

Source: Bloomberg LP, Steel Business Briefing, Pareto Securities
Appendix: China at late-Industrialisation Stage

Steel Consumption Per Capita

- China (from 1990)
- Japan (from 1950)
- Korea (from 1970)
- India (from 2005)

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

Source: UBS, IISI, Pacific Basin
## Appendix: Pacific Basin Dry Bulk - Diversified Cargo

### Pacific Basin Dry Bulk Cargo Volume 1H10

*(Handysize and Handymax)*

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Volume 1H10</th>
<th>Change 1H10 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumina</td>
<td>6%</td>
<td>(-1%)</td>
</tr>
<tr>
<td>Coal / Coke</td>
<td>8%</td>
<td>(0%)</td>
</tr>
<tr>
<td>Concentrates</td>
<td>11%</td>
<td>(+3%)</td>
</tr>
<tr>
<td>Fertilisers</td>
<td>7%</td>
<td>(-1%)</td>
</tr>
<tr>
<td>Logs &amp; Forest Products</td>
<td>11%</td>
<td>(+4%)</td>
</tr>
<tr>
<td>Ore</td>
<td>6%</td>
<td>(-3%)</td>
</tr>
<tr>
<td>Sugar</td>
<td>5%</td>
<td>(-3%)</td>
</tr>
<tr>
<td>Steel &amp; Scrap</td>
<td>7%</td>
<td>(-1%)</td>
</tr>
<tr>
<td>Salt</td>
<td>6%</td>
<td>(-1%)</td>
</tr>
<tr>
<td>Petcoke</td>
<td>5%</td>
<td>(+1%)</td>
</tr>
<tr>
<td>Other Bulks*</td>
<td>5%</td>
<td>(0%)</td>
</tr>
<tr>
<td>Cement &amp; Cement Clinker</td>
<td>6%</td>
<td>(-2%)</td>
</tr>
</tbody>
</table>

**15.6 Million Tonnes**

- **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 1H09
## Appendix:
Pacific Basin Dry Bulk – Handymax

As at 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>1H10</th>
<th>1H09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days</td>
<td>5,570</td>
<td>5,150</td>
<td>+8%</td>
</tr>
<tr>
<td>TCE earnings</td>
<td>23,680</td>
<td>19,840</td>
<td>+19%</td>
</tr>
<tr>
<td>Owned + chartered cost</td>
<td>22,050</td>
<td>17,580</td>
<td>+25%</td>
</tr>
<tr>
<td>Segment net profits</td>
<td>8.8</td>
<td>11.5</td>
<td>-23%</td>
</tr>
<tr>
<td>Return on net assets</td>
<td>32%</td>
<td>102%</td>
<td>-70%</td>
</tr>
</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th>PB Energy &amp; Infrastructure Services</th>
<th>1H10</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore and project supply and harbour towage services (&quot;Towage&quot;)</td>
<td>(1.2)</td>
<td>1.6</td>
</tr>
<tr>
<td>Fujairah Bulk Shipping (&quot;FBSL&quot;)</td>
<td>4.5</td>
<td>4.1</td>
</tr>
<tr>
<td>PacMarine Services</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Segment net profit</strong></td>
<td><strong>4.0</strong></td>
<td><strong>6.6</strong></td>
</tr>
</tbody>
</table>

| 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: Borrowings and Capex

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

At latest practical date

- **Vessel capex (including purchase options)** (US$354m)
- **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
Appendix: Capex and Combined Value by Vessel Types

Vessels Commitments (including purchase options)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dry Bulk</th>
<th>RoRo</th>
<th>Tugs and barges</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>125</td>
<td>38</td>
<td>11</td>
</tr>
<tr>
<td>2011</td>
<td>110</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>2012</td>
<td>42</td>
<td>19</td>
<td>23</td>
</tr>
</tbody>
</table>

A Combined View of Vessel Carrying Values and Commitments

- Total US$354 million
- US$1,511 million

Further commitments expected in dry bulk

- Vessel carrying values, US$967 million
- Progress payment made, US$190 million
- Future installments amount, US$354 million
## Appendix: Impact of Financial Instruments

Period ended 30 June

<table>
<thead>
<tr>
<th>US$ m</th>
<th>Realised</th>
<th>Unrealised</th>
<th>1H10</th>
<th>1H09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Gains / (Losses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward freight agreements</td>
<td>(4.6)</td>
<td>(1.2)</td>
<td>(5.8)</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Bunker swap contracts</td>
<td>2.7</td>
<td>(11.1)</td>
<td>(8.4)</td>
<td>33.0</td>
</tr>
<tr>
<td>Interest rate swap contracts</td>
<td>(2.8)</td>
<td>(1.4)</td>
<td>(4.2)</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td><strong>(4.7)</strong></td>
<td><strong>(13.7)</strong></td>
<td><strong>(18.4)</strong></td>
<td>22.1</td>
</tr>
</tbody>
</table>

- 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
## Appendix: Convertible Bonds Due 2016

<table>
<thead>
<tr>
<th><strong>Issue size</strong></th>
<th>US$230 million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maturity Date</strong></td>
<td>12 April 2016 (6 years)</td>
</tr>
<tr>
<td><strong>Investor Put Date and Price</strong></td>
<td>12 April 2014 (4 years) at par</td>
</tr>
<tr>
<td><strong>Coupon</strong></td>
<td>1.75% p.a. payable semi-annually in arrears on 12 April and 12 October</td>
</tr>
<tr>
<td><strong>Redemption Price</strong></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Initial Conversion Price</strong></td>
<td>HK$7.79 (with effect from 16 April 2010)</td>
</tr>
<tr>
<td><strong>Conversion Condition</strong></td>
<td>Before 11 Jan 2011: No Conversion is allowed&lt;br&gt;12 Jan 2011 – 11 Jan 2014: Share price for 5 consecutive days &gt; 120% conversion price&lt;br&gt;12 Jan 2014 – 5 Apr 2016: Share price &gt; conversion price</td>
</tr>
<tr>
<td><strong>Intended Use of Proceeds</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>Conditions</strong></td>
<td>- Shareholders approval at SGM to approve the issue of the New Convertible Bonds and the specific mandate to issue associated shares.&lt;br&gt;- 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</td>
</tr>
</tbody>
</table>

### Conversion/redemption Timeline

**Bondholder’s put option to redeem bonds**

- **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

**Bondholders can convert to PB shares**

- 1) Trading price for 30 consecutive days > 130% conversion price in effect
- 2) >90% of Bond converted / redeemed / purchased / cancelled

**PB’s call option to redeem all bonds**

- Closing Date: 12 Apr 2010<br>12 Jan 2011<br>12 Jan 2014<br>12 Apr 2014<br>5 Apr 2016<br>12 Apr 2016

- Maturity