Pacific Basin

2012 Annual Results

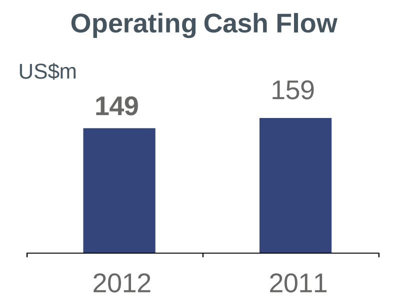
28 Feb 2013

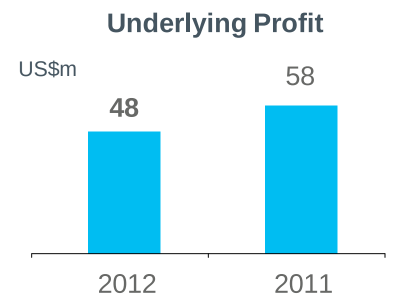
Pacific Basin

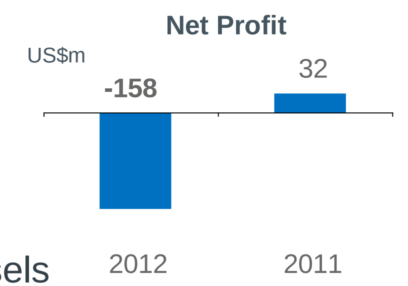
2012 Annual Results – Group Highlights

	2012	2011
Operating Cash Flow	**US$149m**	US$159m
Underlying Profit	**US$48m**	**US$58m**
Net (Loss) / Profit	**US$(158)m**	US$32m
Cash Position	**US$753m**	US$618m
Earnings per Share	**HK¢(64)** **HK¢21 on continuing operations**	HK¢13
Dividend per Share	**HK¢5** (proposed)	HK¢10

- Group results were impacted by:
  - a US$199m write-off for our RoRo investment
  - very weak dry bulk spot market
  - a strong US$38m contribution from PB Towage
- Balance sheet retains substantial buying power:
  - US$753m total cash and deposits
  - Low 14% group net gearing
- Fully funded capital commitments of US$236m relating to 16 dry bulk vessels
- **8 dry bulk ships acquired since September 2012**







Pacific Basin Dry Bulk – 2012 performance

Handysize
- Handysize daily rate: US$10,460 (-23% YOY)
- PB outperformed spot market by 44%
- Respectable performance reflects value of our industrial and customer-focused business model

Handymax
- Handymax daily rate: US$11,720 (-22% YOY)
- PB Outperformed spot market by 31%
- Our reliance on relatively expensive medium-term chartered ships in the depressed market resulted in a modest albeit positive Handymax contribution overall

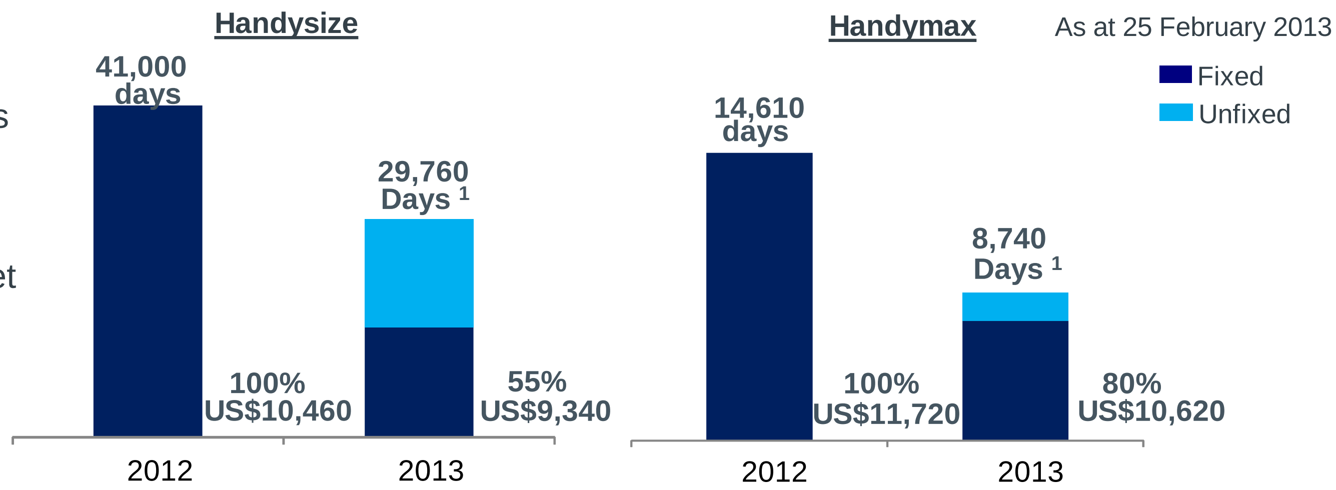
Post-Panamax
- 2 Post-Panamax ships continue to operate satisfactorily under long-term charters

Further investment in dry bulk
- Since September 2012, we have acquired for US$122m:
    - 6 secondhand Handysize ships
    - 1 secondhand Handymax ship
    - 1 Handysize newbuilding resale

	2012
Dry Bulk net profit	**US$39.3m**
▪ Handysize contribution	US$62.0m
▪ Handymax contribution	US$6.7m
▪ Direct overheads	US$(35.3m)
Operating cash flow	**US$114.1m**
Return on net assets	**5%**

Pacific Basin Dry Bulk - Earnings Coverage

- Our dry bulk business model facilitates a valuable cargo book
- Enables us to outperform the market (by 44% in 2012)



Pacific Basin Dry Bulk Fleet: 189 (on the water: 172 [3,4]) average age of our core fleet: 6.2 years old

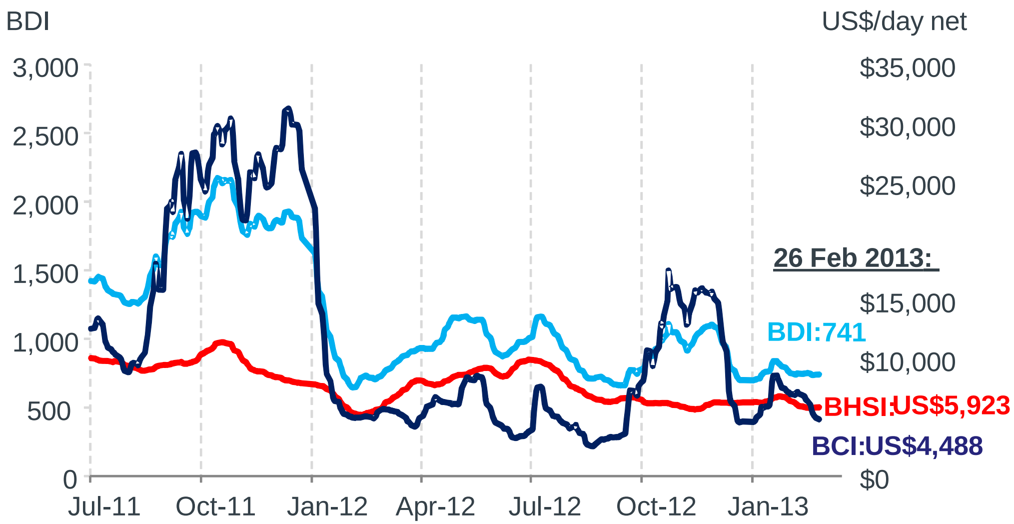
	Owned		Chartered		Total	As at 2011 AR
	On the water	Newbuilding	On the water	Newbuilding	25 Feb 2013	
Handysize	38 [3]	7	84[2]	4	133	122
Handymax	5 [4]	5	43	1	54	45
Post-Panamax	1	0	1	0	2	2
Total	44	12	128	5	189	169

[1] 2013 cover excludes 7,970 (Handysize) & 1,270 (Handymax) revenue days chartered in on index-linked basis
[2] Includes 13 finance lease vessels
[3] Includes 3 Handysize secondhand acquisitions not yet delivered
[4] Includes 1 Handymax secondhand acquisition not yet delivered

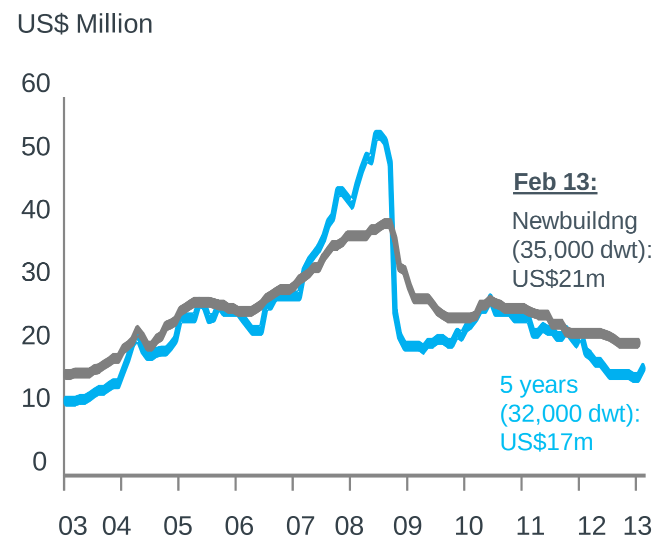
Dry Bulk Market Information

- Excessive newbuilding deliveries in 2012 impacted freight rates across all dry bulk segments
- Lowest annual average BDI since 1987
- Average Handysize and Handymax daily market spot rates fell 28% YOY - still equalled or exceeded average rates for larger vessels
- Protracted market weakness further impacted ship values
- 5 year old Handysize value: US$17m (down 13% from a year ago)
- Newbuilding prices also reduced to pre-boom levels: US$21m

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



Handysize Vessel Values

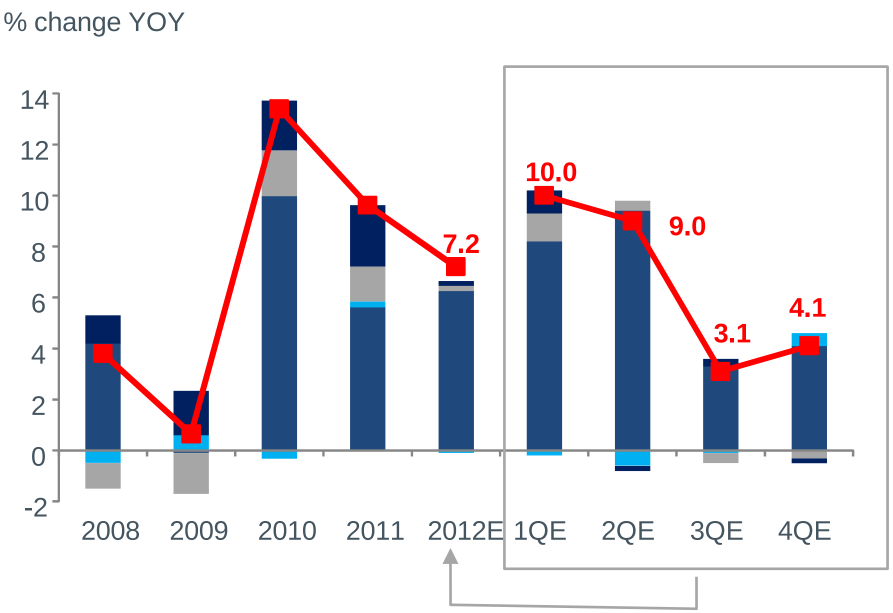


Source: The Baltic Exchange, Clarksons

Dry Bulk Demand

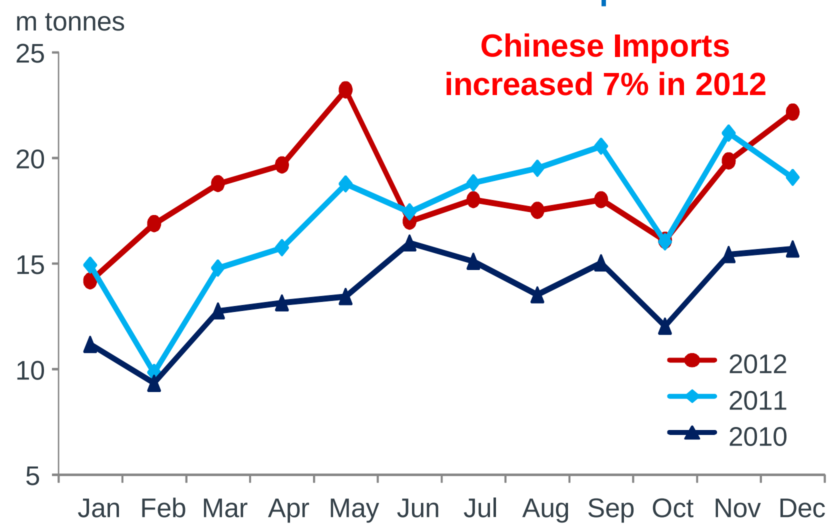
Pacific Basin

Dry Bulk Effective Demand



- International cargo volumes
- Congestion effect
- Tonne-mile effect
- China coastal cargo, off-hire & ballast effect
- Net demand growth

2012 Chinese Minor Bulk Imports



China imports of a basket of 7 important minor bulks : logs, soyabean, fertiliser, bauxite, nickel, copper concentrates and manganese ore – representing 1/3 of Pacific Basin's 2012 cargo volumes

- Overall dry bulk demand increased 7%
- Demand growth influenced by:
  - Expanded volumes on high-volume major bulk trade routes
  - Chinese imports of seven important minor bulks increased 7% - lending strong support to global demand for smaller ships
  - Logs trade was impacted by a slowdown in Chinese property sector

Source: R.S. Platou, Bloomberg

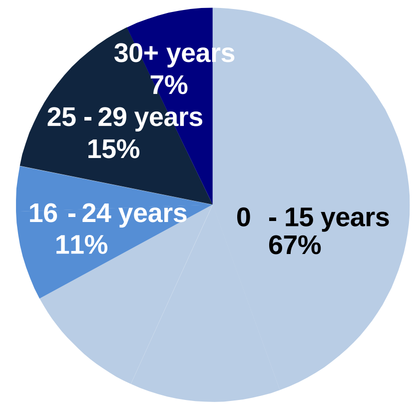
Global Dry Bulk Fleet Development

- 2012 net fleet growth:

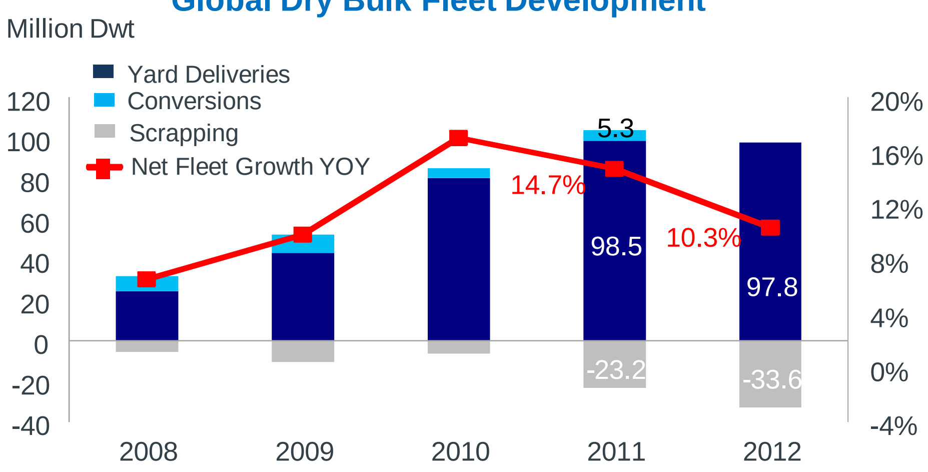
	Handysize	Dry Bulk overall
YOY	3%	10%

- Driven by 98m tonnes of new capacity (deliveries slowed in 4Q)
- Heavy influx of newbuildings was only partially offset by record-high scrapping of 33.6m tonnes
- 22% of Handysize fleet is over 25 years old

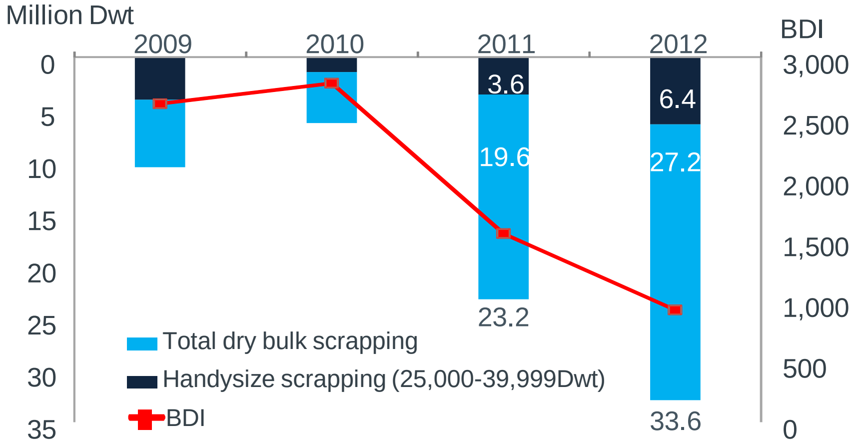
Handysize Age Profile (25,000-39,999 dwt)
2,115 vessels (68.1m dwt)



Global Dry Bulk Fleet Development



Dry Bulk Scrapping versus BDI

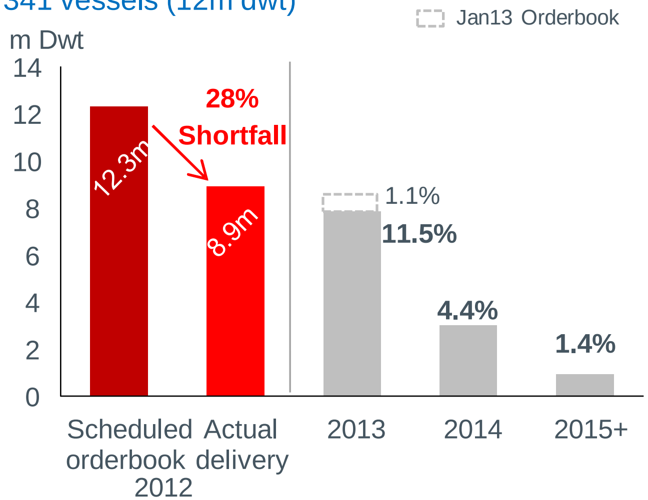


Source: Clarksons, Bloomberg, as at 1 Feb 2013

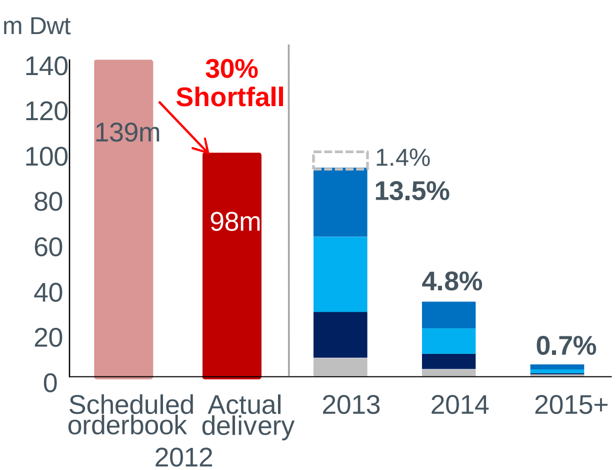
Pacific Basin

Dry Bulk Orderbook

Handysize Orderbook
341 vessels (12m dwt)



Total Dry Bulk Orderbook
1,657 vessels (131m dwt)



- Ship owners ordered 55% less new capacity YOY due to weak market conditions
- 101m dwt of new capacity scheduled to deliver in 2013
- 2012 Newbuilding deliveries of 98m dwt were 30% below the scheduled orderbook at the start of the year – expect approx. 25%-30% slippage in FY2013

	Orderbook as % of Existing Fleet	Average Age	Over 25 Years	2012 Scrapping as % of fleet on 1Jan13
Total Dry Bulk >10,000 dwt	19%	10	6%	5%
Handysize (25,000-39,999 dwt)	17%	11	22%	9%
Handymax (40,000-64,999 dwt)	18%	9	9%	6%
Panamax (65,000-119,999 dwt)	26%	8	3%	3%
Capesize (120,000+ dwt)	17%	8	2%	5%

Source: Clarksons, as at 1 Feb 2013

Pacific Basin

Pacific Basin Dry Bulk - Outlook

- Strong Chinese demand for minor bulk commodities
- Global trade imbalances and fleet utilisation inefficiencies
- Stronger than anticipated US economic recovery and revived industrialisation in N. America
- Fewer newbuilding deliveries
- Continued high levels of dry bulk scrapping
- Bank lending constraints limit funding for ship acquisitions

- Still excessive, but reduced, overhang of supply + shipbuilding capacity
- Global economic recovery negatively impacted by further shocks relating to European finances and US government spending
- Premature shipowner optimism resulting in less scrapping, increased ordering activity and increased vessel prices
- Increased national protectionism impacting raw materials trade
- Potentially weaker growth in the Chinese economy and industrial production

PB Outlook:

- Dry bulk market to remain weak overall in 2013 though healthier fundamentals should limit further downside in Handysize
- Dry cargo demand is likely to be similarly healthy as last year
- Supply-side fundamentals are improving, but will take time to absorb oversupply
- Challenging market conditions likely to generate further acquisition opportunities

Strategy:

- Invest in high-quality Handysize and Handymax ships
- Expand our dry bulk customer and cargo portfolio
- Decentralise our operational support function

PB Towage

2012 Performance

- Continued strong demand for marine logistics from oil & gas projects
- Good growth in harbour towage sector
- PB Towage results have continued to strengthen due to:
  - Improved market conditions
  - Our increased market presence and penetration

	2012
Towage net profit	US$37.7m
Operating cash flow	US$52.1m
Return on net assets	17%

Offshore Towage

- Western Australia and Queensland oil & gas developments continued to drive demand for offshore marine logistics
- North West Shelf LNG construction projects have progressed further
- Some increase in demand in Middle East market, but remains difficult due to excessive supply

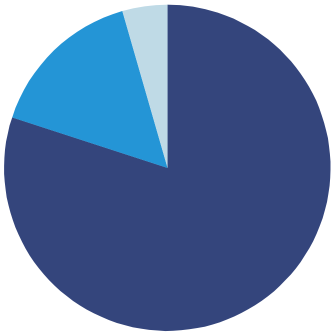
Harbour Towage

- Supported by 11% increase in volumes and higher market share in the main liner and bulk ports

Supply

- Barrier to entry for new entrants in Australian domestic market

PB Towage Fleet: 44 vessels
(as at 25 Feb 2013)



- 35 Tugs (31 Owned + 4 Chartered)
- 7 Barges (6 Owned + 1 Chartered)
- 1 owned bunker tanker and 1 chartered passenger/supply vessel

PB Towage - Outlook

- Growing project activity in Australasia and construction support both domestically in Australia and internationally
- Increased exploration and production leading to demand for platform support services
- Continued growth in Australian bulk export volumes
- International transportation into Australian driving increased harbour towage jobs in container ports

- Hesitation in global economy recovery and Chinese slowdown – impacting Australian port activity
- Labour market shortages and cost pressures
- Exchange rate movements affecting Australia's global competitiveness

PB Outlook:

- Well positioned competitively to participate in offshore and harbour opportunities as market develops
- Expected to be an important contributor to Group results in 2013

Strategy:

- To grow our towage businesses focusing on opportunities in expanding offshore support and bulk port towage activity
- Recent decision to enter the Port of Newcastle

Pacific Basin

PB RoRo

	2012
PB RoRo net loss (Excluding US$199m impairment and exchange loss)	US$(12.1)m
Operating cash flow	US$3.1m

- Considered a discontinued operation
- Continued severe weakness in the RoRo sector impacted results and prospects for our RoRo business
- Mid-year impairment and decision to exit RoRo in medium term
- Agreed sale of all 6 RoRos to Grimaldi for Eur153m (approx. US$188m)
- At least one vessel to be purchase by end of each six month period ending 30 June 2013 through December 2015
- All 6 vessels to be bareboat chartered by buyers until transfer of ownership
- 5 bareboat charters commenced:
  - 2 in Oct 2012
  - 3 in Feb 2013
  - 1 to commence in March 2014, after current time charter
- Our Eur162m, 12-year RoRo loan converted to a dry bulk loan of approx. US$210m

2012 Annual Financial Highlights

US$ m	2012	2011
Segment net profit	**74.5**	89.5
▪ Treasury	**(6.1)**	(12.8)
▪ Discontinued Operations - RoRo	**(12.1)**	(10.6)
▪ Non direct G&A	**(8.5)**	(8.3)
Underlying profit	**47.8**	57.8
▪ Unrealised derivative expenses	**(3.3)**	(1.6)
▪ RoRo vessel impairment charge & exchange loss	**(198.6)**	(80.0)
▪ Other impairments	**(4.4)**	-
▪ Gain from sale of shares in Green Dragon Gas	**-**	55.8
(Loss)/Profit attributable to shareholders	**(158.5)**	32.0

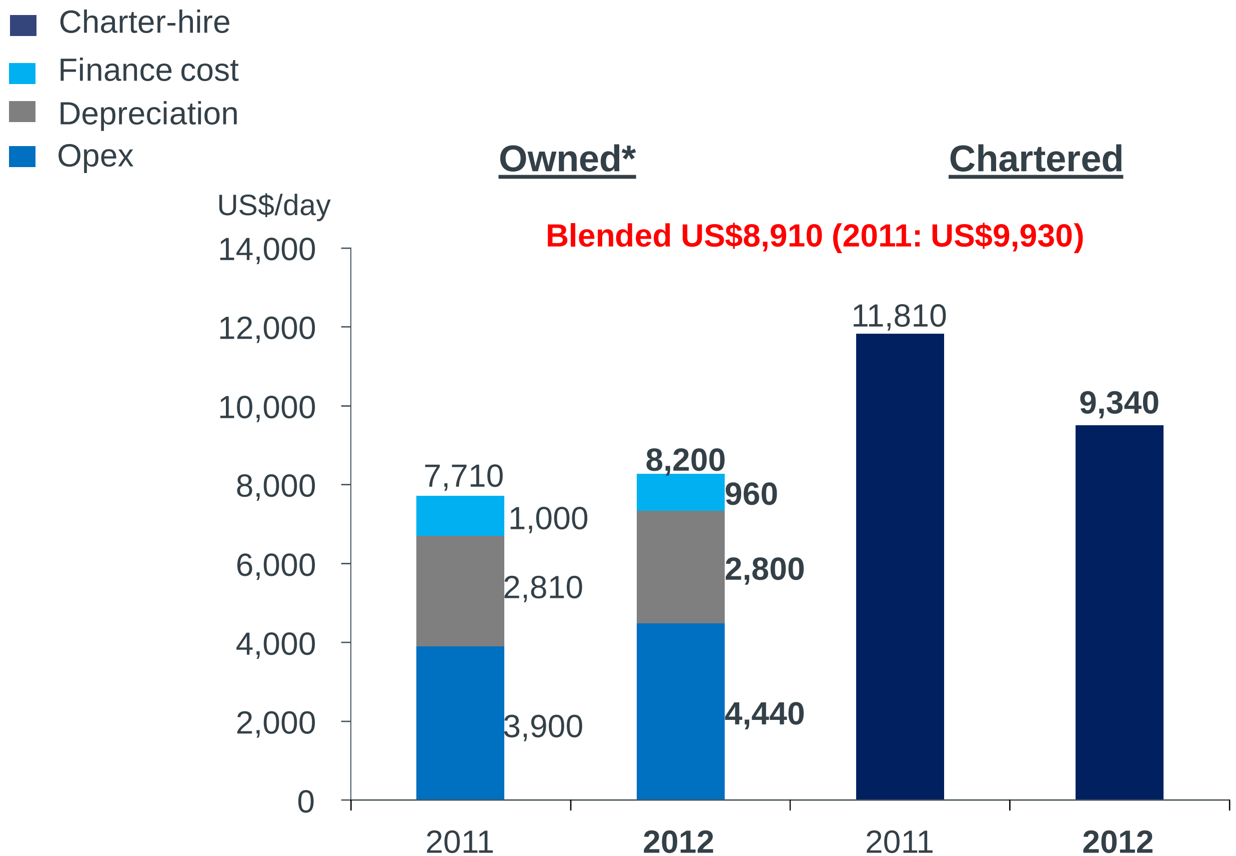
Pacific Basin Dry Bulk

Handysize		**2012**	2011	Change
Revenue days	(days)	**41,000**	32,710	+25%
TCE earnings	(US$/day)	**10,460**	13,530	-23%
Owned + chartered costs	(US$/day)	**8,910**	9,930	+10%
Handysize contribution	(US$m)	**62.0**	115.2	-46%
Handymax & Post Panamax	(US$m)	**12.6**	(1.7)	+841%
Direct overhead	(US$m)	**(35.3)**	(32.1)	-10%
Dry Bulk Net profit	**(US$m)**	**39.3**	81.4	-52%
Return on net assets	**(%)**	**5%**	11%	-6%

- Earnings: Time Charter Equivalent (TCE) rates reflect weaker spot freight market
- Costs: Blended daily costs reflect lower chartered-in costs of market vessels
- Net profit: excludes US$2.1m unrealised net derivatives expenses

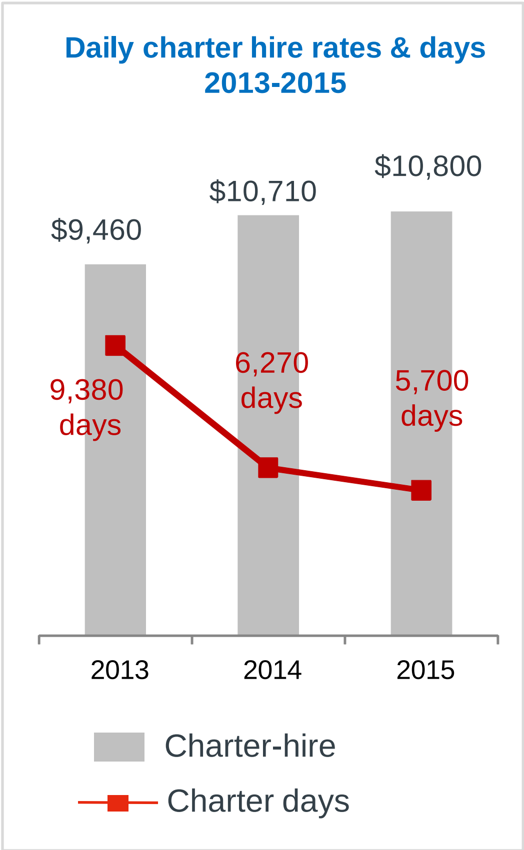
Daily Vessel Costs - Handysize

As at 31 Dec 2012



	Owned 2011	Owned 2012	Chartered 2011	Chartered 2012
Vessel Days	15,070	**15,570**	17,890	**25,630**
	46%	**38%**	54%	**62%**

* Includes 13 finance lease vessels



Pacific Basin

Balance Sheet

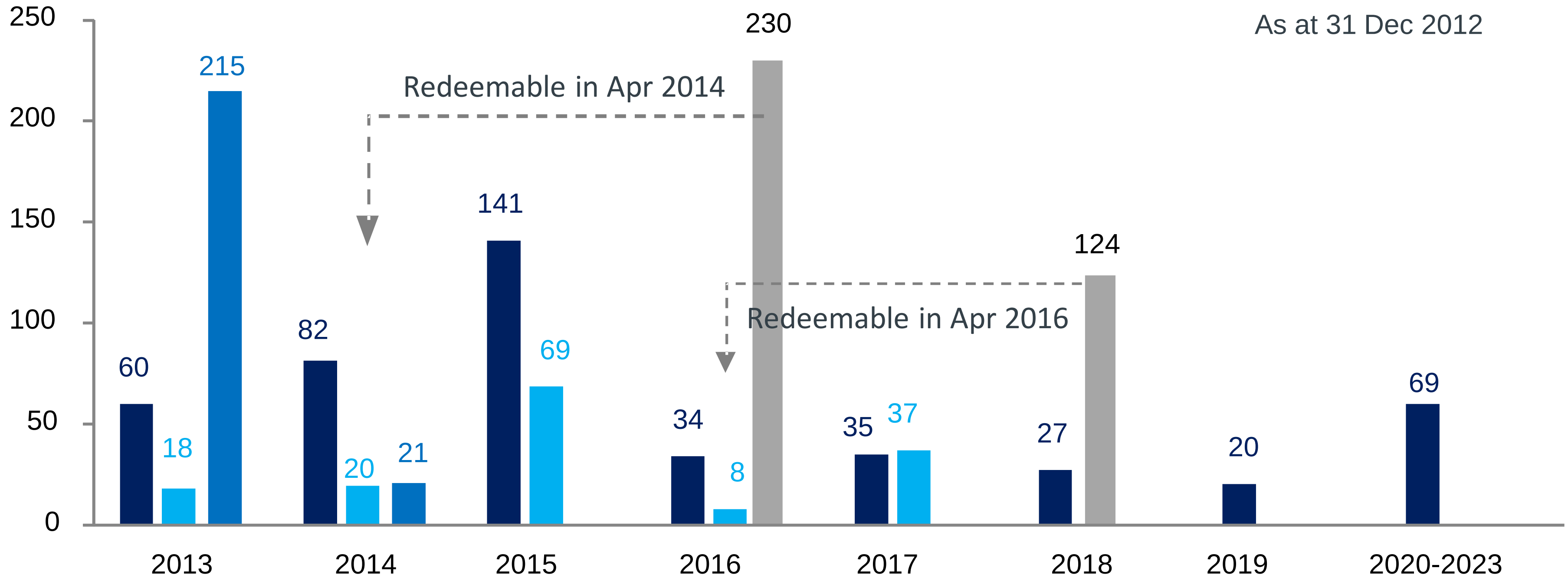
US$m	PB Dry Bulk	PB Towage	Discontinued RoRo	Treasury	31 Dec 12	31 Dec 11
Vessels & other fixed assets	1,057	208	-	-	**1,270**	1,525
Total assets	1,292	273	131	745	**2,470**	2,432
Long term borrowings	301	31	-	599	**931**	779
Total liabilities	437	55	4	618	**1,138**	947
Net assets	855	218	127	127	**1,332**	1,485

Net borrowings (after total cash of US$753m)	**178**	161
Net borrowings to net book value of property, plant and equipment	**14%**	11%

Notes: 31 Dec 2012 total includes other segments and unallocated

Borrowings and Capex

The Group had cash balances of US$753m, borrowings of US$931m and a net borrowings ratio of 14% against the Net Book Value of property, plant and equipment



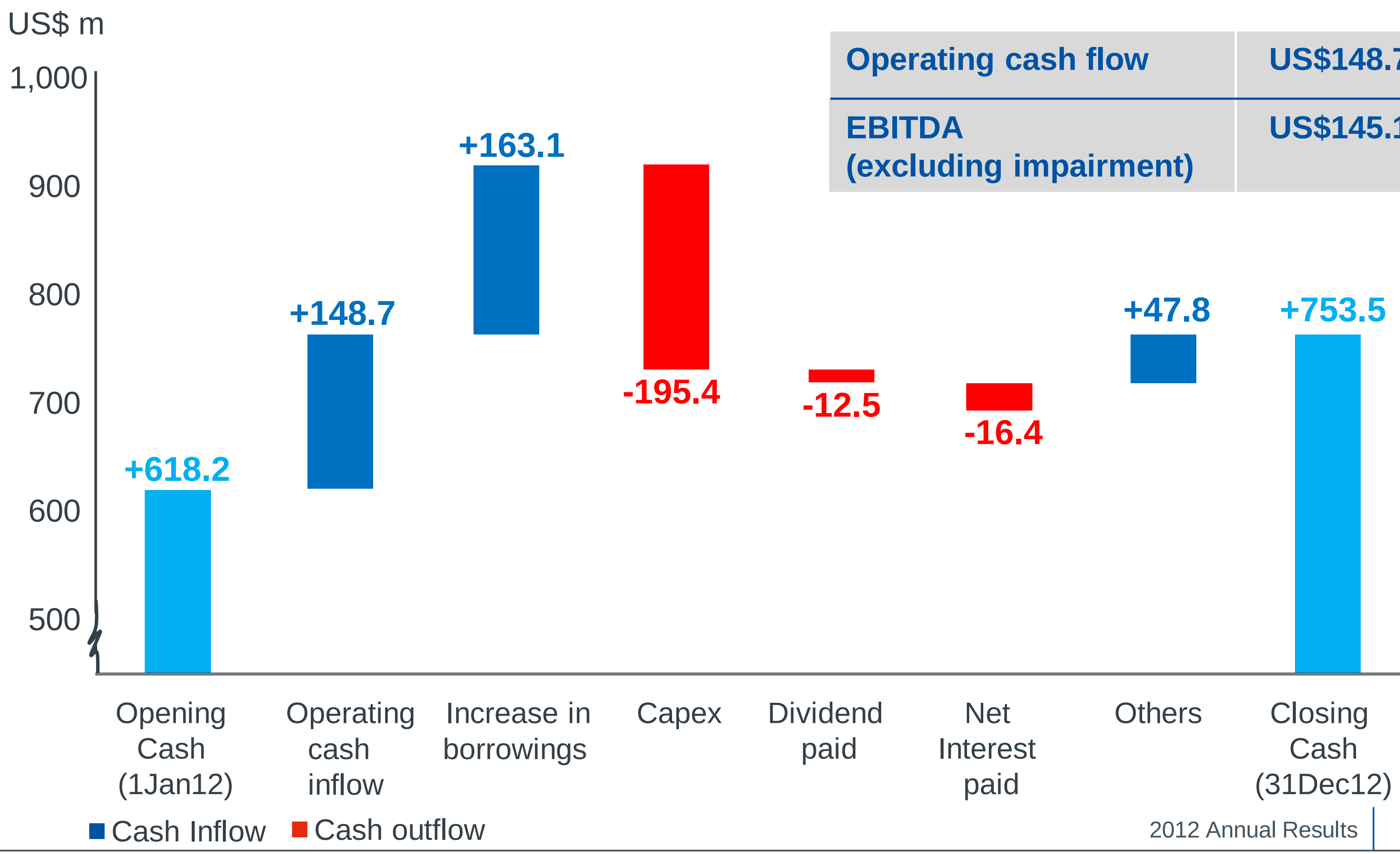
- Bank borrowings (US$469m): expire between 2015-2023
- Finance lease liabilities (US$151m): expire between 2015-2017
- Vessel capital commitments at 31 Dec 2012 (US$236m) – 12 Handysize, US134m; 5 Handymax, US$102m
- Convertible Bonds i) face value US$230m: due Apr 2016, redeemable in Apr 2014
  ii) face value US$124m: due Oct 2018, redeemable in Oct 2016

Pacific Basin

Cash Flow

2012 Sources and Uses of Group Cash Flow

Operating cash flow	**US$148.7m**
EBITDA (excluding impairment)	**US$145.1m**



Our Position, Outlook and Strategy

- **Focus on our two core businesses – we are now out of most non core activities**

Dry Bulk

- Strong cargo and customer focused business model: outperforming market, outperforming larger ships
- Expect the dry bulk market weakness of 2012 to continue through 2013
- Market needs longer to absorb over-supply before sustained recovery becomes apparent
- Acquisition opportunities for shipowners with available cash
- **Strategy: i) Continue to purchase Handysize and Handymax ships at attractive prices**

  ii) Expand our dry bulk customer and cargo portfolio in tandem with our core fleet expansion

  iii) Enhance aspects of the customer experience through decentralised operational support

Towage

- Well positioned competitively to participate in developing opportunities in Australia + internationally
- **Strategy: Grow our towage businesses focusing in opportunities in expanding offshore support and bulk port towage activity**

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
  - Investor/analyst calls and enquiries

Contact IR – Emily Lau
E-mail: elau@pacificbasin.com
ir@pacificbasin.com
Tel : +852 2233 7000

- **Company Website - www.pacificbasin.com**
  - Corporate Information
  - CG, Risk Management and CSR
  - Fleet Profile and Download
  - Investor Relations:
  - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary
- **Social Media Communications**
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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 of offices positions PB close to customers
- Also owning/operating offshore and harbour tugs
- >230 vessels serving major industrial customers around the world
- Hong Kong headquarters, 17 offices worldwide, 320 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

www.pacificbasin.com
Pacific Basin business principles

Pacific Basin Dry Bulk

PB Towage

* As at Feb 2013

Pacific Basin

Appendix: How we create value

Our large, flexible Fleet

- Large scale, high-quality dry bulk fleet
- Interchangeable nature provides flexibility to customers and ability to optimise scheduling
- Modern fleet of tugs and barges provides reliable service in harbours and for offshore projects
- Comprehensive in-house technical operations function

Our strong corporate profile

- Founded in 1987
- Strong balance sheet enhancing our profile as a preferred counterparty for cargo customers and tonnage providers
- Well-positioned to invest , expand
- Commitment to good corporate governance and CSR

Our customer focus priority

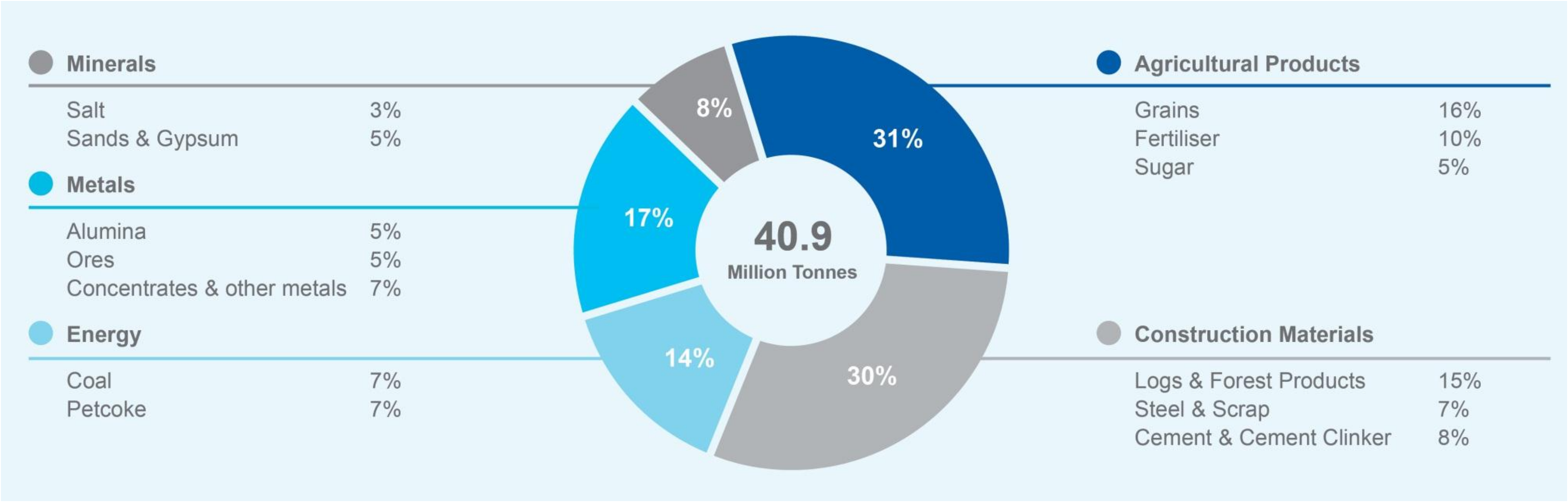
- Customer-focused model - strong relationship with >300 customers
- Spot cargoes and long-term cargo contracts – affording customers reliable freight cover
- Responsive, accessible and problem-solvers at every turn

Our global office network

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

Appendix:
Pacific Basin Dry Bulk – Diversified Cargo

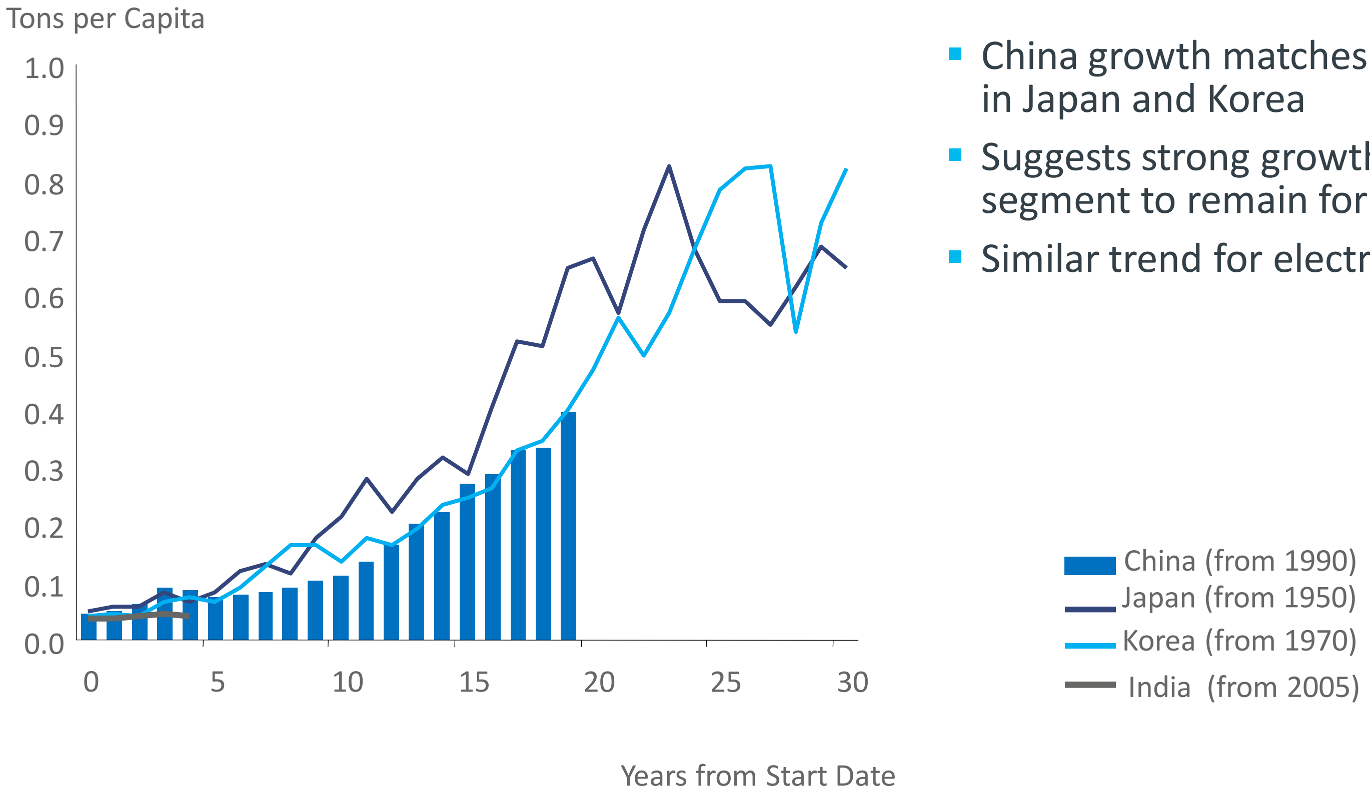
Pacific Basin Handysize and Handymax Cargo Volume 2012



- 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

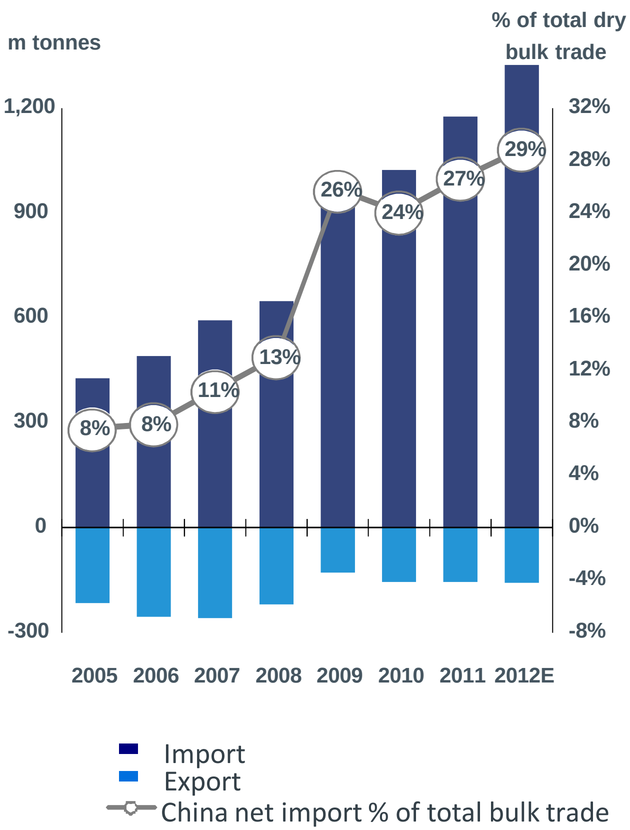
Steel Consumption Per Capita



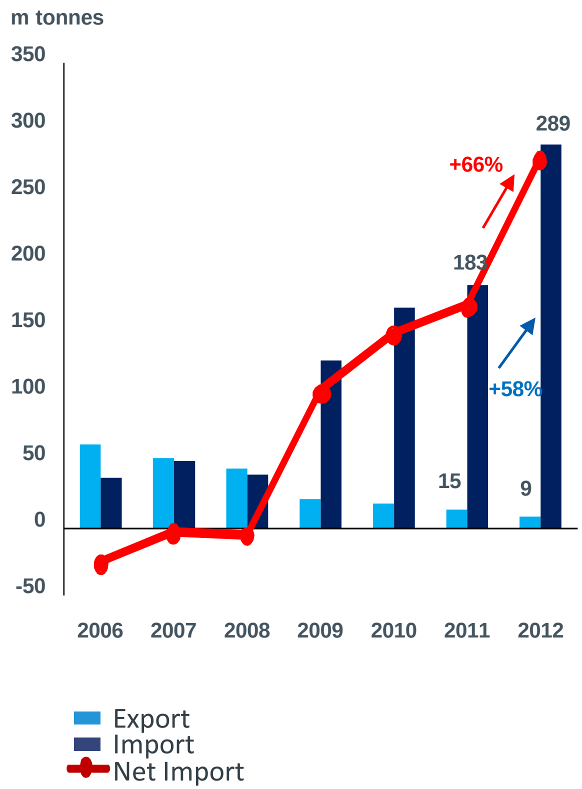
- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

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

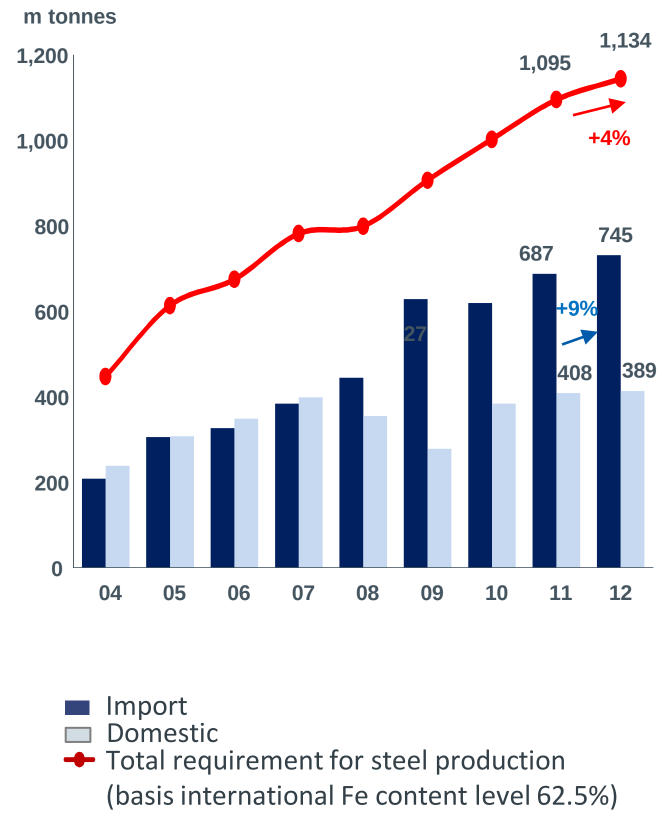
Chinese Dry Bulk Trade Volume



China is a significant net importer of coal in 2012



China Iron Ore Sourcing for Steel Production



Source: Clarksons, Bloomberg

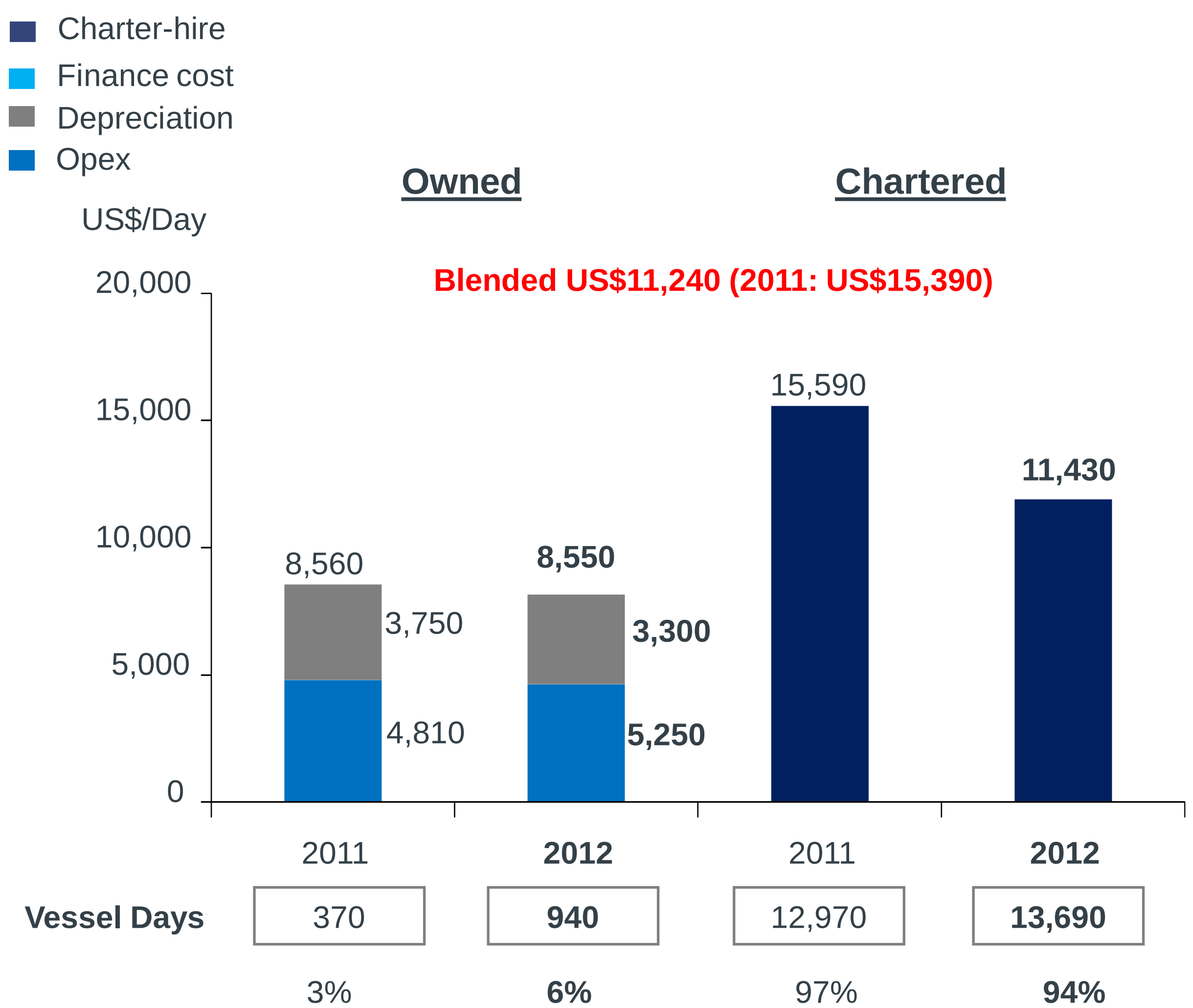
Appendix:
Pacific Basin Dry Bulk - Handymax

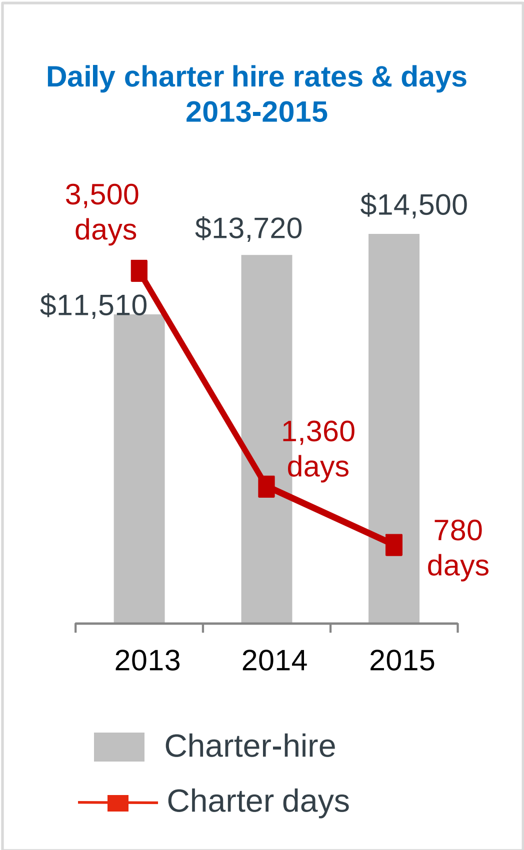
		2012	2011	Change
Revenue days	(days)	**14,610**	13,310	+10%
TCE earnings	(US$/day)	**11,720**	15,090	-22%
Owned + chartered costs	(US$/day)	**11,240**	15,390	+27%
Handymax contribution	(US$m)	**6.7**	(4.7)	+243%
Post Panamax contribution	(US$m)	**5.9**	3.0	+97%
Total contribution	(US$m)	**12.6**	(1.7)	+841%

- Earnings: 2012 Time Charter Equivalent (TCE) rates reflect weaker spot freight market
- Costs: Blended daily costs reflect lower chartered-in costs market vessels
- Net profit: excludes US$1.7m unrealised net derivatives expenses

Appendix:
Daily Vessel Costs – Handymax

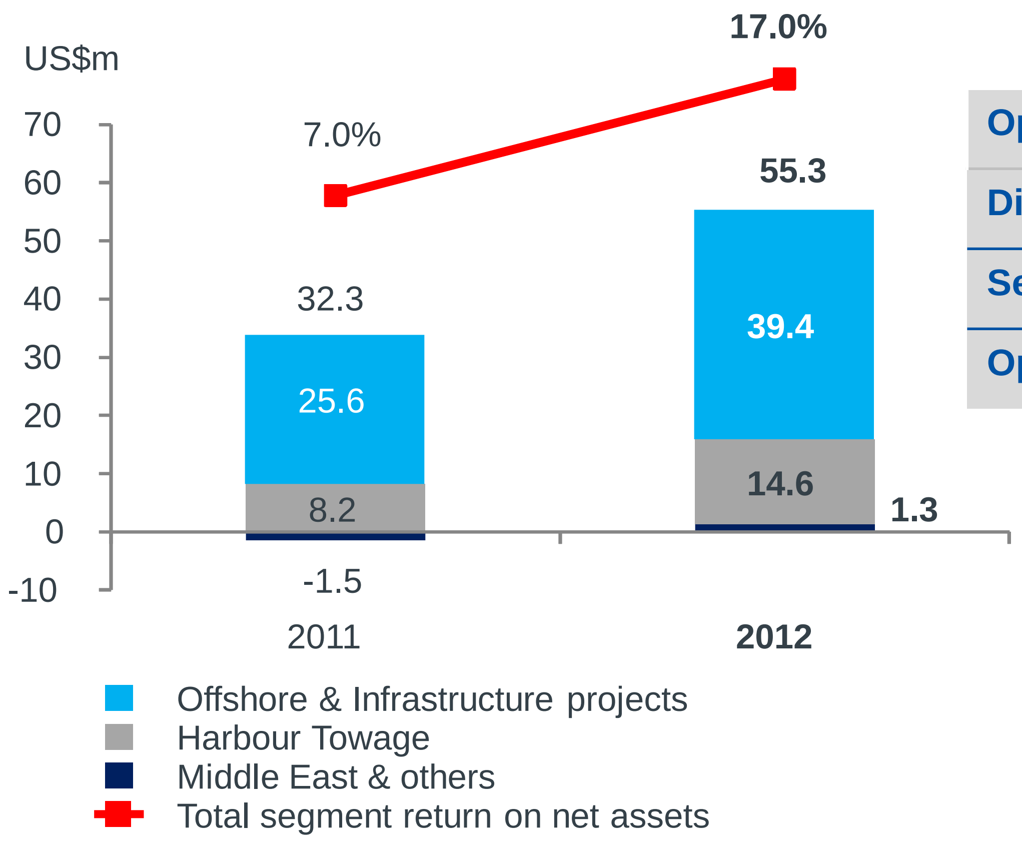
As at 31 Dec 2012





Appendix:
Towage Segment Operating Performance Before Overheads

As at 31 Dec 2012



Operating performance	**US$55.3m**
Direct overheads	**US$(17.6)m**
Segment net profit	**US$37.7m**
Operating cash flow	**US$52.1m**

Pacific Basin

Appendix: PB RoRo Impairment & exchange loss in 2012

- Euro-centric RoRo market severely impacted by protracted European debt crisis and macro-economic and political uncertainty significantly reduced demand for chartered RoRos
  - 18 June, announced US$190m non-cash impairment and intention to exit RoRo following reassessment of RoRo prospects

- 6 September, announced sale of all six RoRo vessels for €153 million
  - Buyer is obliged to purchase at least one vessel by the end of each of the six month periods ending 30 June 2013 through 31 December 2015
  - Buyer to bareboat charter vessels at agreed charter rates until sale
  - Further impairment of US$0.4m and exchange loss of US$8.2m in 2012

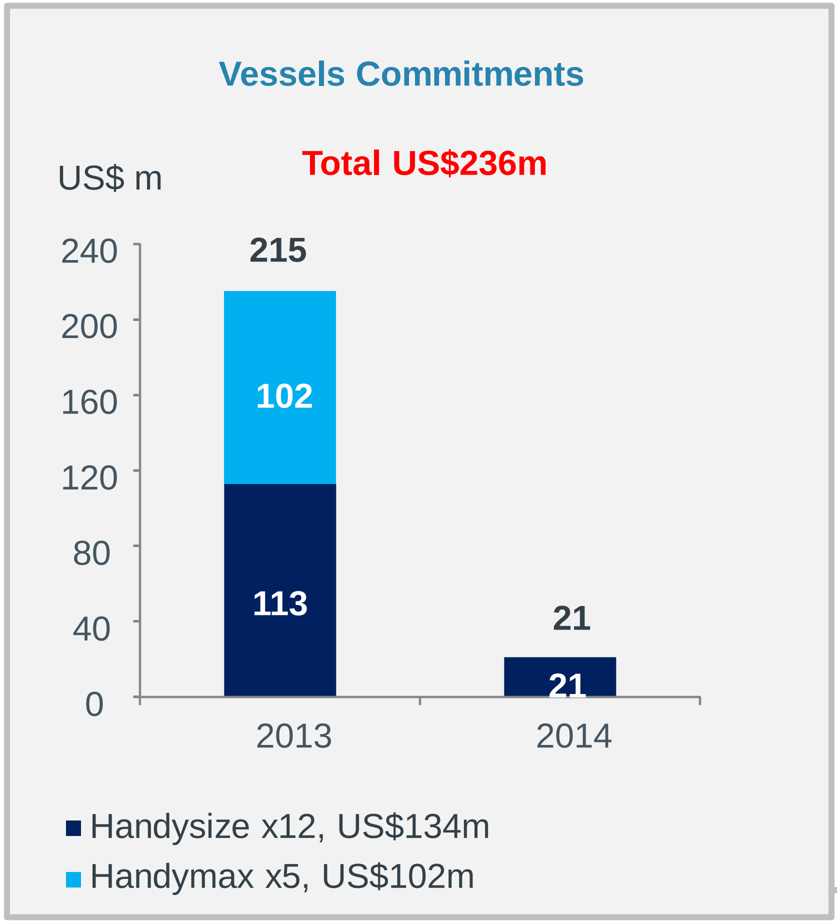
- **Estimated Future Financial Effects:**

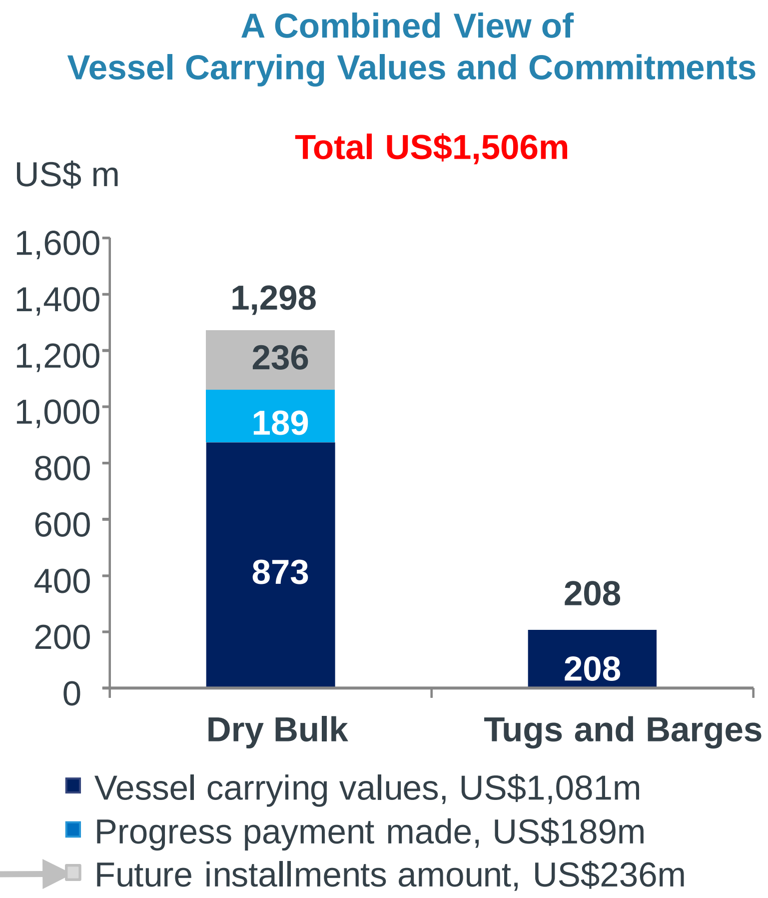
US$m	2013	2014	2015
Interest Income - Treasury	7.5	6.1	2.8
Exchange Losses - Unallocated	-8.3	-5.0	-
Total	**-0.8**	**1.1**	**2.8**

Based on the 2012 year end rate of EUR 1 to US$1.3231

Appendix:
Capex and Combined Vessel Value

As at 31 Dec 2012



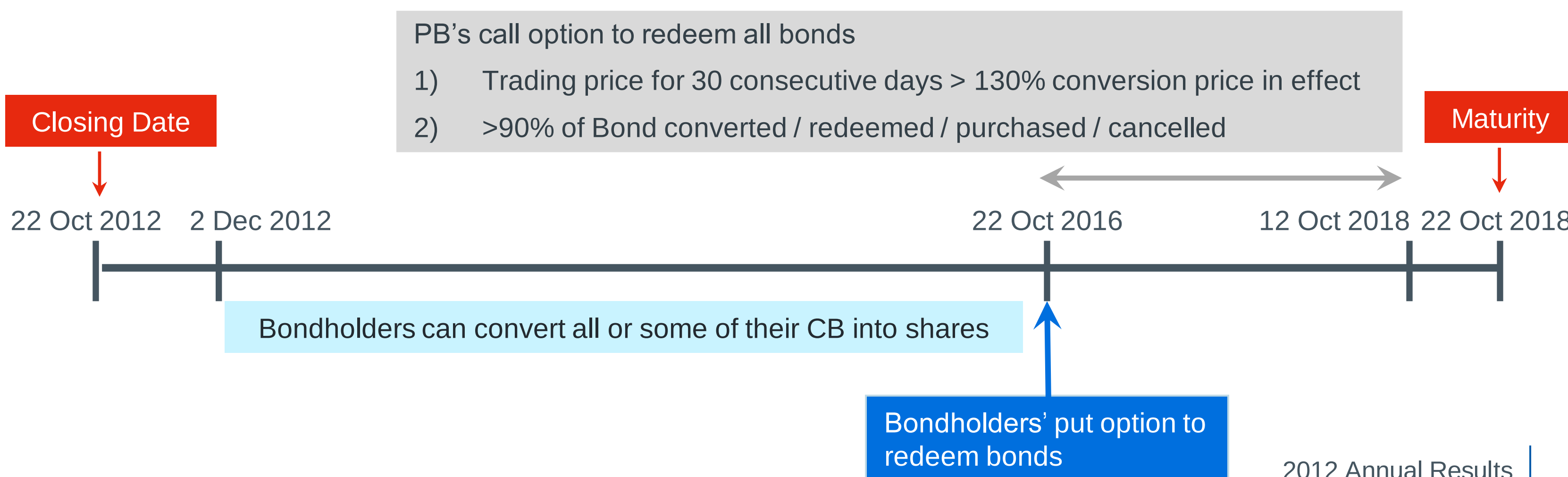


- Further commitments expected in Dry Bulk

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



Pacific Basin

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