Freight Market Improves From Very Low Base

- Increased cargo volumes and improvement in market conditions since historic lows in Feb

* net of 5% commission
Source: Baltic Exchange, data as at 30 Sep 2016
### Our Performance in 3Q16 and cover in 2017

<table>
<thead>
<tr>
<th></th>
<th>US$/day</th>
<th>Handysize</th>
<th>Supramax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3Q</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE per day 3Q16</td>
<td>$7,040</td>
<td>$7,360</td>
<td></td>
</tr>
<tr>
<td><strong>2016 YTD</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE per day YTD</td>
<td>$6,400</td>
<td>$6,430</td>
<td></td>
</tr>
<tr>
<td>Market Index Rate YTD</td>
<td>$4,450</td>
<td>$5,300</td>
<td></td>
</tr>
<tr>
<td>PB Outperformance YTD</td>
<td>44%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td><strong>4Q</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE Cover Rate for 4Q16</td>
<td>$7,960</td>
<td>$7,460</td>
<td></td>
</tr>
<tr>
<td>% of Contracted Days Covered</td>
<td>74%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE Cover Rate for 2017</td>
<td>$9,480</td>
<td>$11,410</td>
<td></td>
</tr>
<tr>
<td>% of Contracted Days Covered</td>
<td>18%</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>
Third Quarter 2016 PB Update

- Put options on 2018 convertible bonds were exercised in Sep, to be repaid in Oct 2016
- Reduced oil & gas, mining & construction leading to deterioration in tug & barge values:
  - Recent towage disposals expected to generate US$3m cash, but US$2m book loss
  - Additional disposal losses or impairments possible on our remaining towage assets at the year end
- Continuing efforts to reduce our costs (e.g. scale benefits) without compromising safety & maintenance
- Establishing new commercial office in Rio to grow our cargo volumes in east coast South America
### Global Dry Bulk Demand

**Expected Global Dry Bulk Seaborne Trade Growth in FY 2016**

<table>
<thead>
<tr>
<th>(Volume) Million Tonnes</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron Ore</td>
<td>1,411</td>
</tr>
<tr>
<td>Coal</td>
<td>1,108</td>
</tr>
<tr>
<td><strong>Sub major bulk total</strong></td>
<td><strong>2,519</strong></td>
</tr>
<tr>
<td>Copper Concentrates</td>
<td>29</td>
</tr>
<tr>
<td>Sugar</td>
<td>60</td>
</tr>
<tr>
<td>Cement</td>
<td>109</td>
</tr>
<tr>
<td>Soybean</td>
<td>135</td>
</tr>
<tr>
<td>Wheat / Grains</td>
<td>337</td>
</tr>
<tr>
<td>Manganese Ore</td>
<td>27</td>
</tr>
<tr>
<td>Forest Products</td>
<td>349</td>
</tr>
<tr>
<td>Others</td>
<td>315</td>
</tr>
<tr>
<td>Agribulks</td>
<td>164</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>158</td>
</tr>
<tr>
<td>Steel Products</td>
<td>404</td>
</tr>
<tr>
<td>Scrap Steel</td>
<td>99</td>
</tr>
<tr>
<td>Bauxite / Alumina</td>
<td>122</td>
</tr>
<tr>
<td>Nickel Ore</td>
<td>34</td>
</tr>
<tr>
<td><strong>PB focus cargoes total</strong></td>
<td><strong>2,342</strong></td>
</tr>
<tr>
<td><strong>2016 Est. Total Dry Bulk</strong></td>
<td><strong>4,861</strong></td>
</tr>
</tbody>
</table>

- **2016 dry bulk volume expected to grow 1% YOY**
- **2016 dry bulk effective demand expected to grow 1.8% (YTD: 1.5%)**
- **YTD Chinese dry bulk imports increased 6.5% YOY due to Chinese iron ore & coal imports**
- **Seasonally strong US grains export volumes in 3Q**
- **Minor bulk is not minor – minor bulks & grain is 48% of total dry bulk demand**

*Minor bulk trade: 1,870 mil tonnes  
Source: Clarksons Platou, as at 29 Sep 2016*
Self Correcting Supply Factors

New Vessel Ordering is Down

Per quarter annualised in % of fleet (dwt)

Fleet Growth is Reducing

Total Dry Bulk YOY Net Fleet Growth (%)

Lowest fleet growth since Aug 2003

Scraping Continues

In Jan-Sep:
- Net fleet growth: 2% (Handysize: 2%)
- 51% shortfall in deliveries
- 25mil dwt scrapped (annualised 4% of fleet)

Orderbook:
- Overall: 13% (Handysize: 14%)
- Negligible new ship ordering

Source: Clarksons Platou, data as at 1 Oct 2016

With you for the long haul
Dry Bulk Supply & Demand

Supply:
- Estimate FY2016 net fleet growth about 2%
- New deliveries partly offset by scrapping (Annualised 6% new deliveries vs 4% scrapping)
- Positive factors:
  - Fewer & fewer ships delivering in 2017-18
  - Higher oil prices reduces sensitivity of ship operating speeds to increasing freight rates
  - Ballast water management convention in Sep17 encourages scrapping older ships & poor performers

Demand:
- YTD overall demand growth: 1.5%, FY forecast: 1.8%
- Chinese steel exports remained at high levels
- Chinese imports of major bulk & 7 important minor bulks increased YOY, especially iron ore and coal
- Seasonally strong US grain exports

Source: Clarksons Platou, Pacific Basin
Handysize Vessel Values

- Significant gap between newbuilding and secondhand values → discourages new ship ordering which was negligible in 3Q
- Current value of secondhand Handysize ship: US$10.5m
  (13% up from 2Q market low values)

Source: Clarksons Platou
Borrowings and Capex

Bank borrowings: US$642m, undrawn committed bank facilities US$272m
Convertible bonds, face value US$249m, book value US$230m
Vessel capital commitments: US$237m

Cash Position as at 30Jun: US$406m
2018CB repayment on 24Oct: US$124m

As in 2016 Interim Report
Update after the exercise of put options of 2018 CB
Dry Bulk Outlook

- Increased cargo volumes have supported stronger rates since Feb lows
- Minor bulk demand is not so minor – growing & less dependent on China
- Stronger than usual South American agricultural exports season in 1H, followed by seasonally strong US export volumes, esp. soybeans & corn in 3Q – but expect a continued weak market in the medium term
- Scrapping, negligible new ship ordering & shrinking orderbook to lead to healthier supply/demand balance in time

Strategy

- We continue to manage for a weak market in the medium term
- Fully focused on our world-leading Handy/Supra dry bulk business
- Driving further costs savings, conducting our business efficiently & safely
- Continue to generate cash from disposal of non-core assets
- Astutely combining ships & cargoes to maximise our utilisation & margins

Pacific Basin Benefits:

- Now fully Handy focused
- Business Model ➔ Premium
- High-quality predominately Japanese-built fleet
- Experienced staff, globally
- Strong counterparty

➔ Well positioned
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 (PDF & Online) & 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

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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**
  - Follow us on Facebook, Twitter, Linkedin, Youtube and WeChat!
Our cover provides a degree of earnings visibility - ship operators typically face significant exposure to spot market.

2016 uncovered days excludes revenue days related to inward chartered vessels on index-linked rates.
Appendix: Pacific Basin Dry Bulk – Diversified Cargo

- Diverse range of commodities reduces product risk
- China and North America were our largest market
- 60% of business in Pacific and 40% in Atlantic

Our dry bulk cargo volume (1 Jan 2016 – 26 Sep 2016)

- Minerals
  - Sand & Gypsum 3%
  - Salt 2%
  - Soda Ash 1%

- Energy
  - Petcoke 5%
  - Coal 5%
  - Wood Pellets 1%

- Metals
  - Concentrates & Other Metals 8%
  - Ores 4%
  - Alumina 1%

- Construction Materials
  - Steel & Scrap 15%
  - Logs & Forest Products 13%
  - Cement & Cement Clinkers 10%

- Agricultural Products & Related
  - Grains & Agriculture Products 19%
  - Fertiliser 9%
  - Sugar 4%

400+ customers
### Appendix: Fleet List – 1 October 2016*

**Pacific Basin Dry Bulk Fleet: 242**  
Average age of core fleet: 7.1 years old

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th></th>
<th>Chartered</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivered</td>
<td>Newbuilding</td>
<td>Delivered*</td>
<td>Newbuilding</td>
<td></td>
</tr>
<tr>
<td><strong>Handysize</strong></td>
<td>70</td>
<td>7</td>
<td>65</td>
<td>5</td>
<td>147</td>
</tr>
<tr>
<td><strong>Supramax</strong></td>
<td>17</td>
<td>4</td>
<td>72</td>
<td>0</td>
<td>93</td>
</tr>
<tr>
<td><strong>Post-Panamax</strong></td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>88</td>
<td>11</td>
<td>138</td>
<td>5</td>
<td>242</td>
</tr>
</tbody>
</table>

* Average number of vessels operated in September 2016

[www.pacificbasin.com](http://www.pacificbasin.com)  
Fleet Details