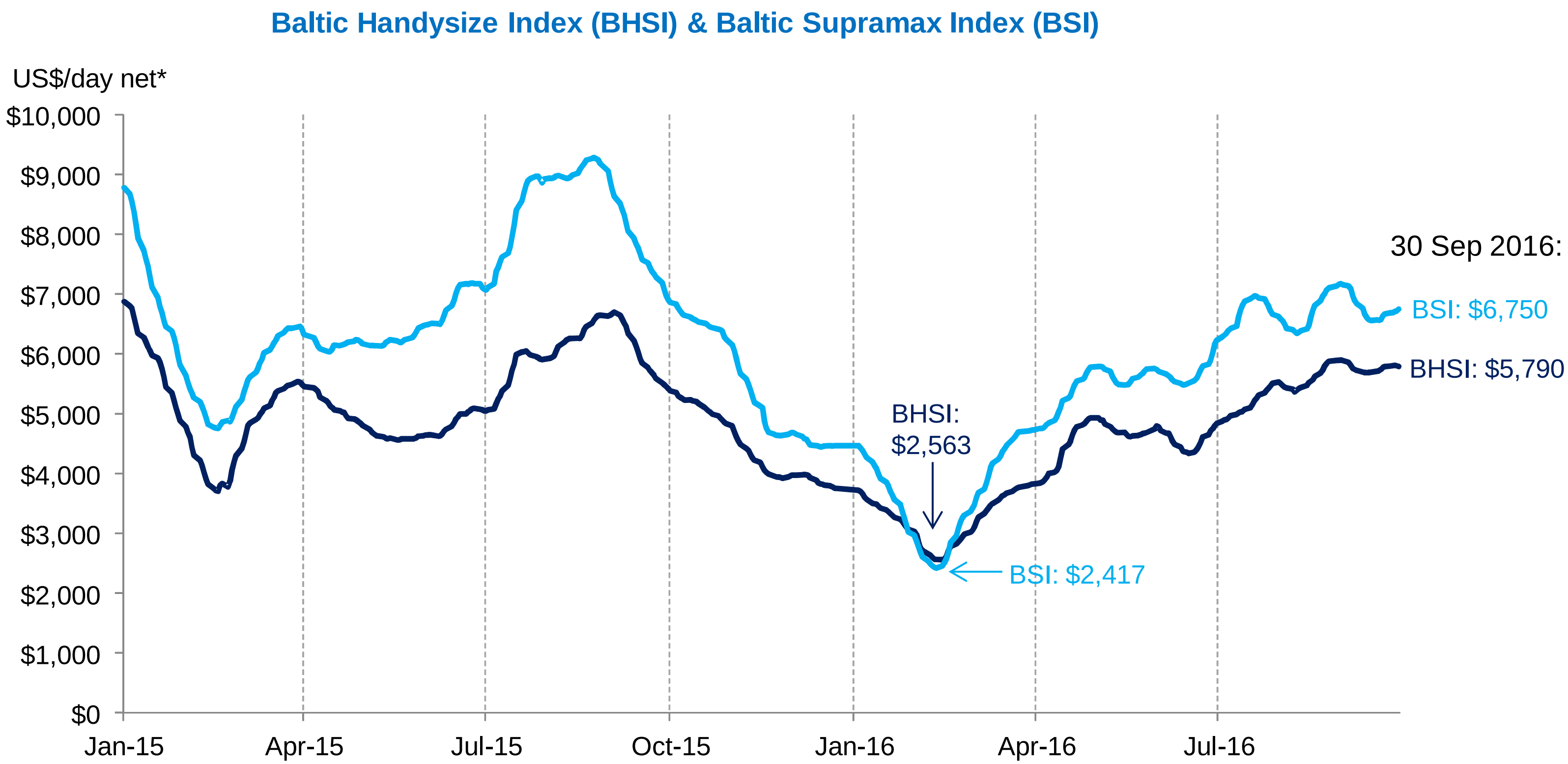
Pacific Basin

3Q 2016 Trading Update

6 Oct 2016

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

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

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

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Global Dry Bulk Demand

Expected Global Dry Bulk Seaborne Trade Growth in FY 2016

	(Volume) Million Tonnes	YOY Change
Iron Ore	1,411	4%
Coal	1,108	-2%
Sub major bulk total	2,519	1%
PB Focus		
Copper Concentrates	29	10%
Sugar	60	7%
Cement	109	6%
Soybean	135	5%
Wheat / Grains	337	2%
Manganese Ore	27	4%
Forest Products	349	2%
Others	315	1%
Agribulks	164	1%
Fertiliser	158	1%
Steel Products	404	-1%
Scrap Steel	99	-2%
Bauxite / Alumina	122	-3%
Nickel Ore	34	-23%
PB focus cargoes total*	2,342	1%
2016 Est. Total Dry Bulk	4,861	1%

-25% -20% -15% -10% -5% 0% 5% 10%

- 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

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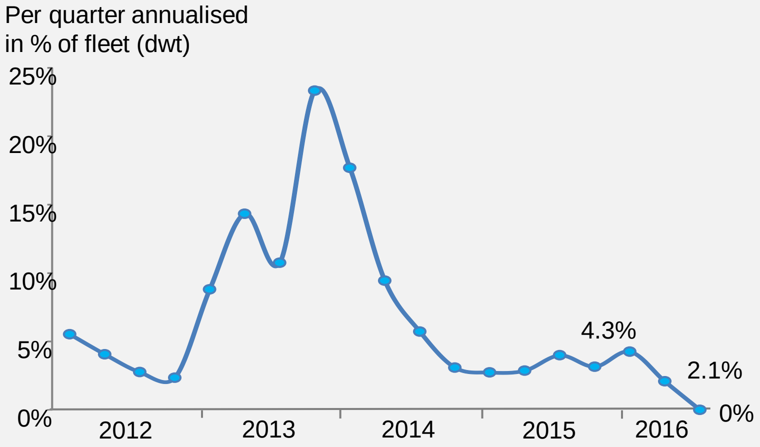
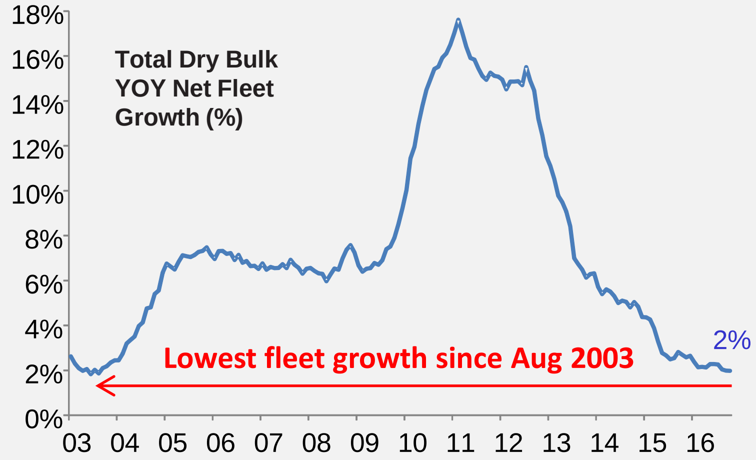
Self Correcting Supply Factors

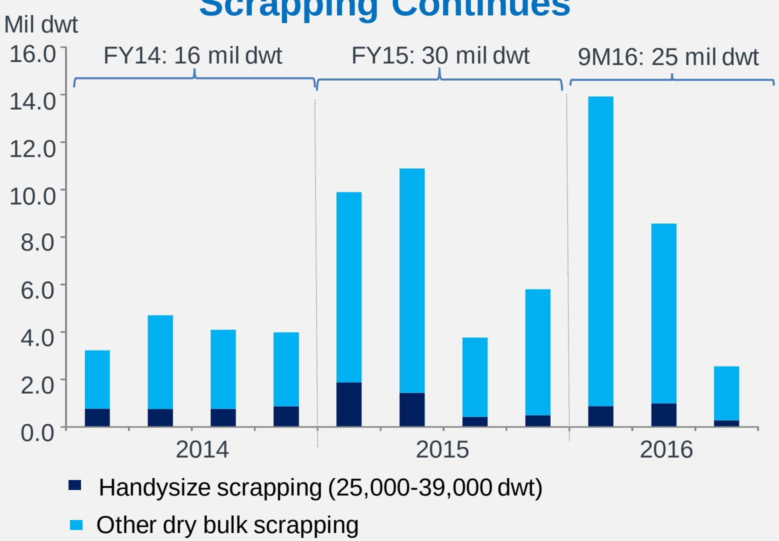
New Vessel Ordering is Down



Fleet Growth is Reducing



Scrapping Continues



In Jan-Sep:

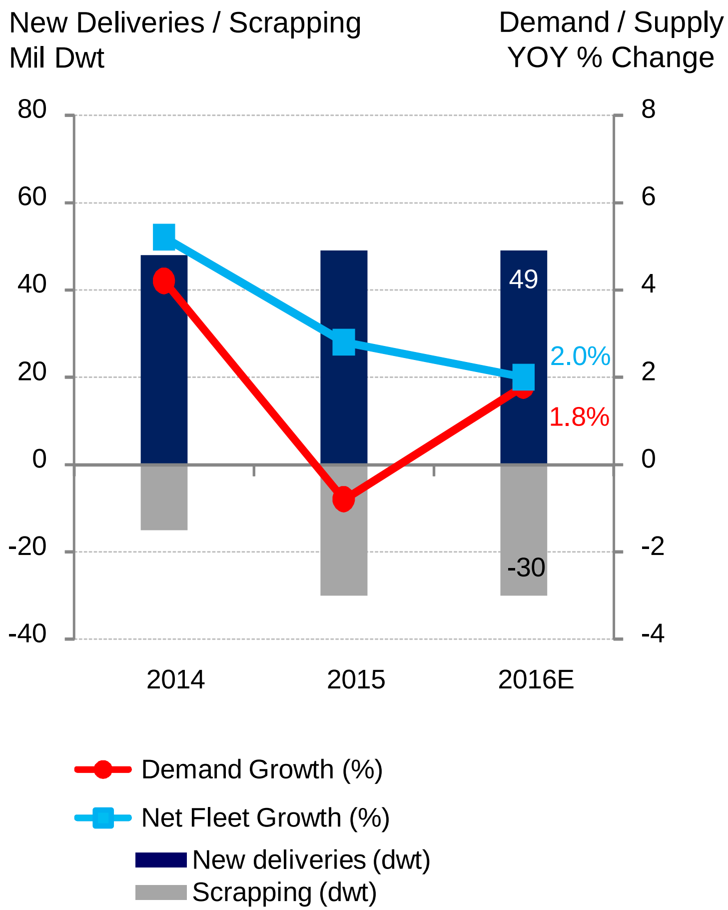
- Net fleet growth: 2% (Handysize: 2%)
- 51% shortfall in deliveries
- 25mil dwt scrapped (annualised 4% of fleet)

Orderbook:

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

Source: Clarksons Platou, data as at 1 Oct 2016

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

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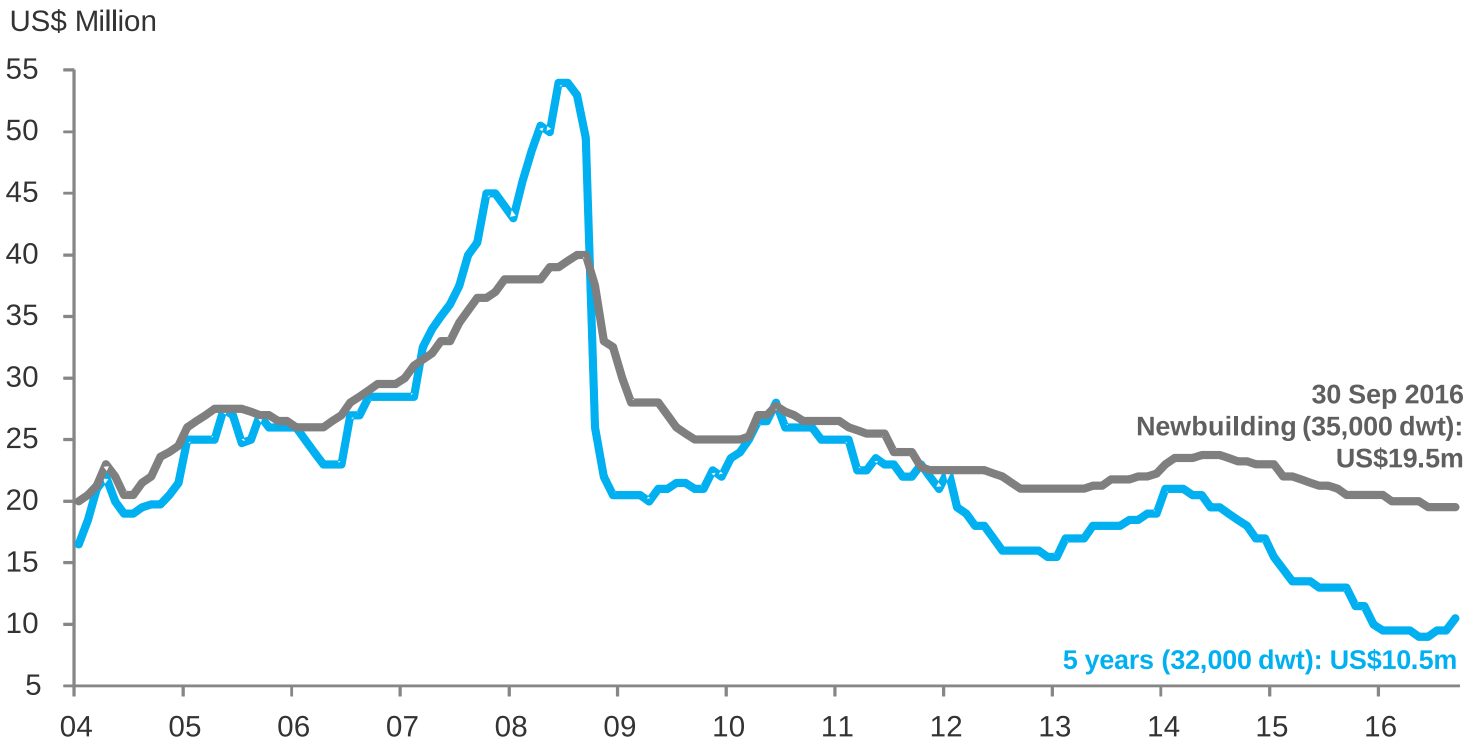
Handysize Vessel Values



- 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)

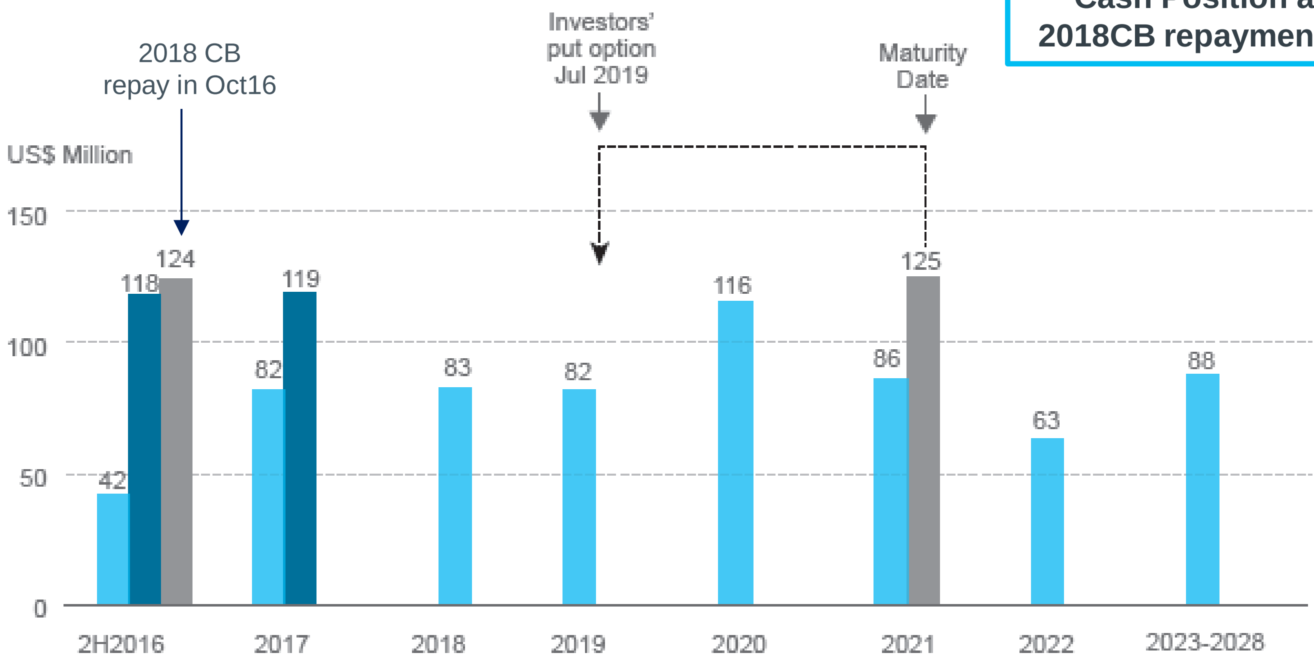
Source: Clarksons Platou

Borrowings and Capex

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

Schedule of Repayments and Vessel Capital Commitments

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



- 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

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Our Outlook and Strategy

www.pacificbasin.com
More on financial details: 1H16 Interim Report

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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- **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
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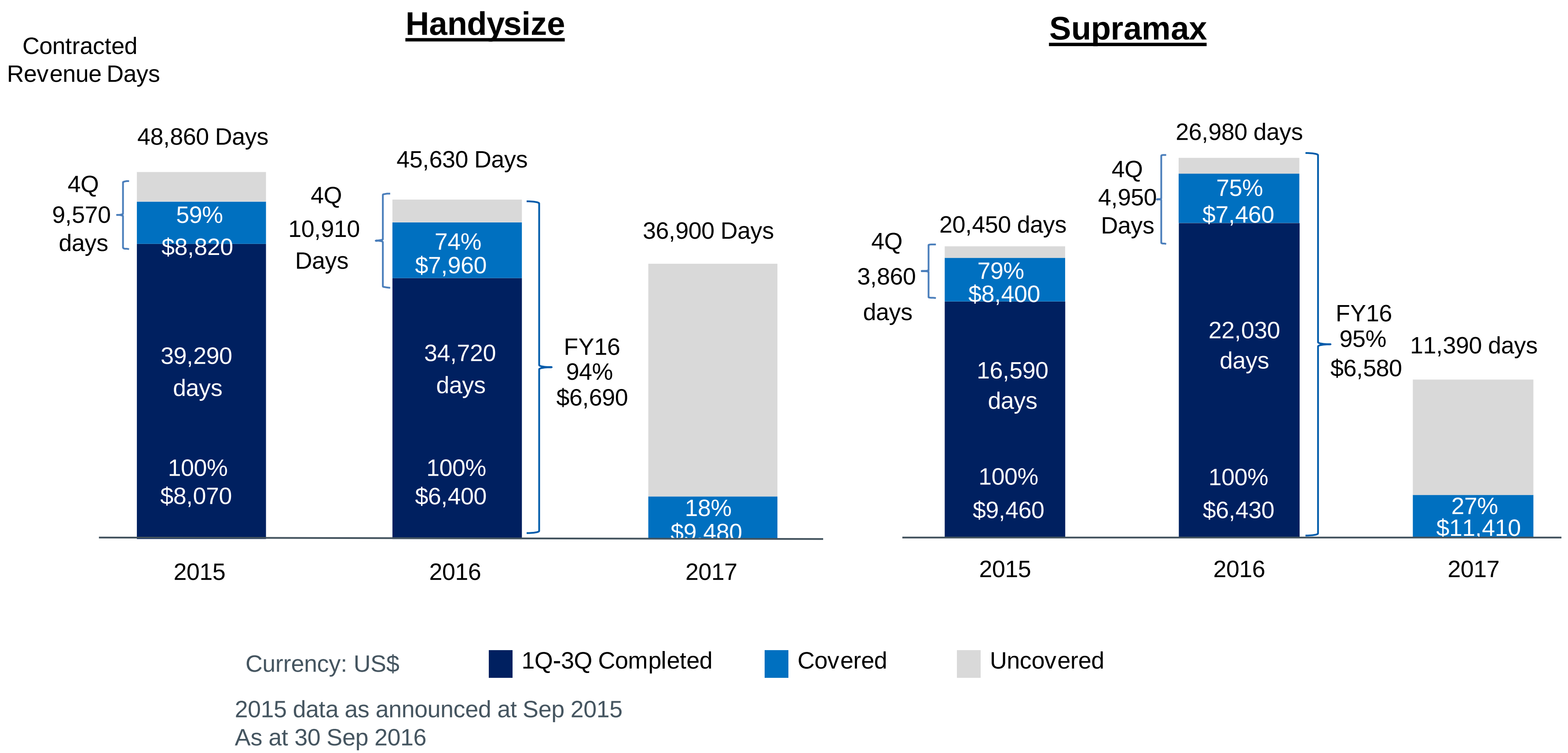
Appendix:
Pacific Basin Dry Bulk – Earnings Cover



- 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

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

Minerals

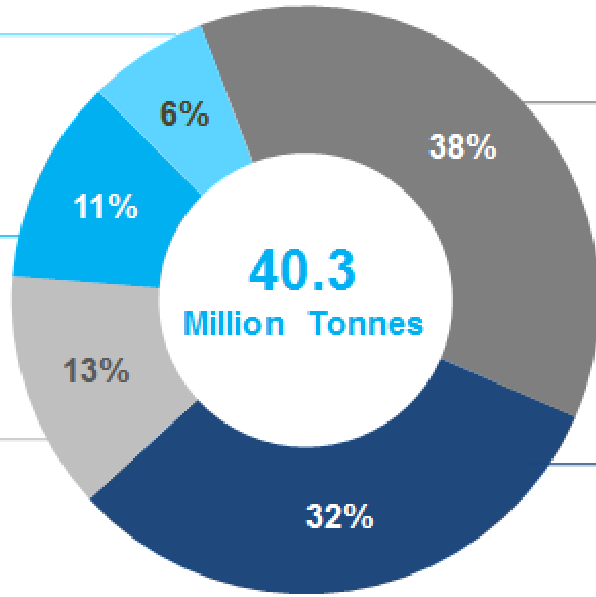
Sand & Gypsum	3%
Salt	2%
Soda Ash	1%

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%

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

400+
customers

Appendix:
Fleet List – 1 October 2016*

Pacific Basin Dry Bulk Fleet: 242

Average age of core fleet: 7.1 years old

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered*	Newbuilding	
Handysize	70	7	65	5	147
Supramax	17	4	72	0	93
Post-Panamax	1	0	1	0	2
Total	88	11	138	5	242

www.pacificbasin.com
Fleet Details

* Average number of vessels operated in September 2016