



Pacific Basin

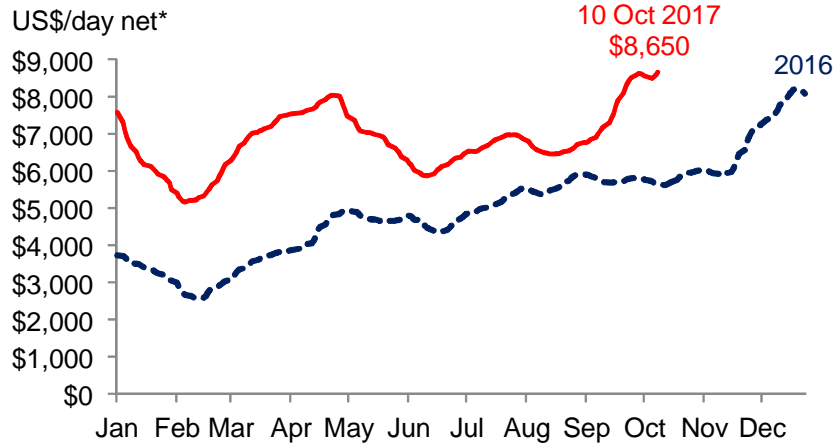
3Q17 Trading Update



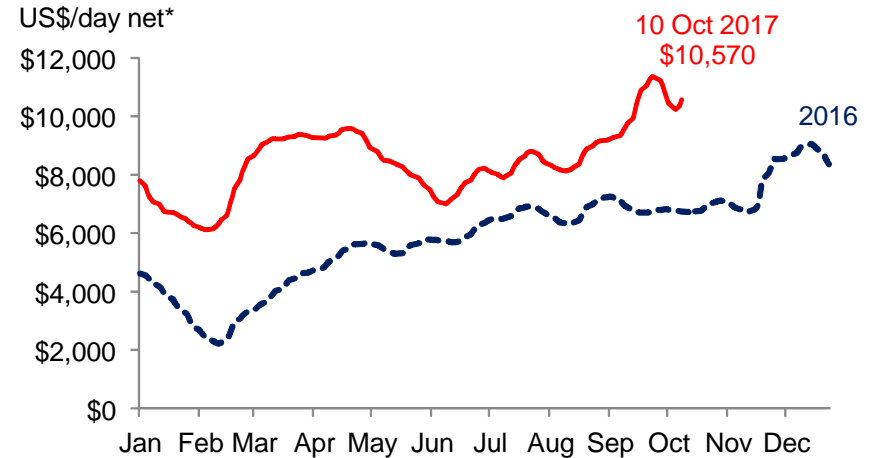
12 Oct 2017

Market Rates Development YTD 2017

Handysize Market Spot Rates in 2016-2017



Supramax Market Spot Rates in 2016-2017



- Similar freight market pattern YTD as last year, but at higher level
- Seasonal mid-year decline affected 3Q rates
- Recent increase in rates is positive, but benefit is limited in 2017 due to lag between fixing and earning and because much of 4Q is already covered

* excludes 5% commission

Source: Baltic Exchange (BSI 58,000 dwt), data as at 10 Oct 2017

Key Demand Drivers for 2017

- 1H17 actual dry bulk effective demand growth about 4.5%
- Clarksons estimate full year 2017 dry bulk effective demand growth will exceed 5% (compared to +1.9% in 2016 and -0.9% in 2015)
- Strong American grain exports, including record high 3Q volumes from Brazil
- SE Asia coal imports increased
- Strong imports of minor bulks into China +18% YOY to highest level since 2013
- Soybean, bauxite and logs growing at healthy levels



Our Performance in 3Q17

As at 10 Oct 2017

	US\$/day	Handysize	Supramax
3Q	PB daily TCE 3Q17	\$8,130 (+15% YOY)	\$9,350 (+27% YOY)
	Market Index Rate	\$7,000	\$9,070
1Q- 3Q17	PB daily TCE YTD ¹	\$8,010 (+25%YOY)	\$9,060 (+41% YOY)
	Market Index Rate YTD	\$6,730	\$8,370
	PB Outperformance YTD	19%	8%

¹ Excluding short-term days: Handysize daily TCE US\$8,120; Supramax daily TCE US\$9,650



Forward cover for 4Q17 and 2018

As at 10 Oct 2017

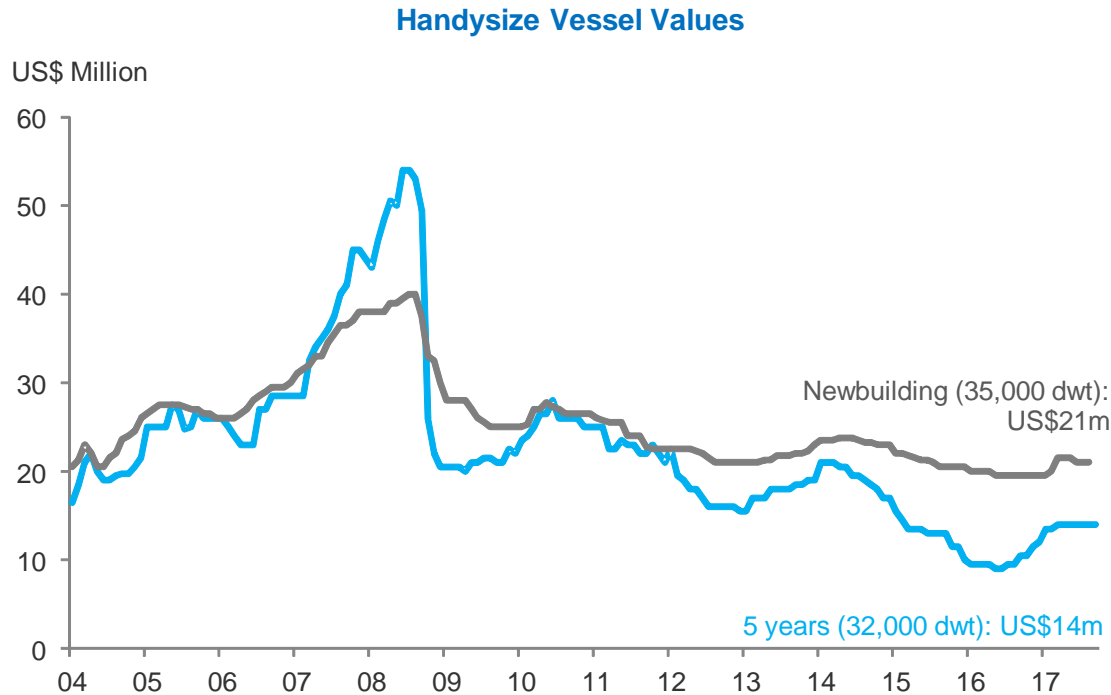
	US\$/day	Handysize	Supramax
4Q	PB TCE Cover Rate for 4Q17	\$8,890	\$10,600
	% of Contracted Days Covered	70%	79%
2018	PB TCE Cover Rate for 2018	\$7,690	\$9,640
	% of Contracted Days Covered	14%	32%



- Market improvement since last year benefits our owned and long term chartered ships which have mainly fixed costs
- Market rates increased at end of 3Q but, due to lag between fixing and earning and 4Q is already mostly covered, these stronger rates will have marginal effect on our 2017 results
- Our capacity has increased YOY due to larger owned fleet (soon 106 ships), complemented by ships on shorter-term charters
 - Acquired 5 modern dry bulk ships in Aug funded by:
 - New PB shares issued to the sellers
 - Cash raised through a share placement
 - Cash from our existing cash resources
- Continue to look at attractive secondhand ship acquisition opportunities if they can generate a reasonable payback at prevailing asset prices and freight earnings
- Our final tug sold in 3Q thus concluding our exit from non-core towage activity



Vessel Values Increased YOY



- Improved freight market conditions supported increased vessel values
- Newbuilding and secondhand prices have increased YOY, but secondhand values remain below the low of 2013
- Gap between newbuilding and secondhand prices continues to discourage new ship ordering

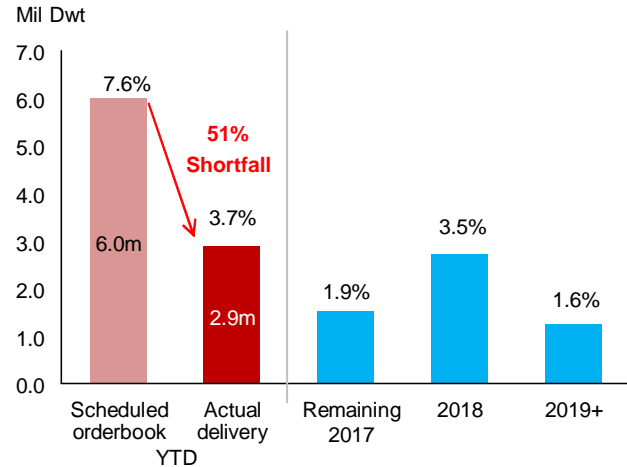


Orderbook Continues to Shrink

Pacific Basin

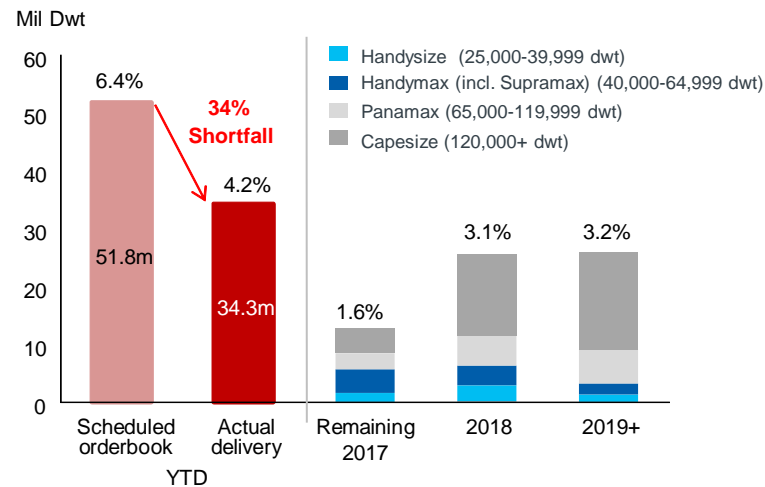
Handysize Orderbook

149 vessels (5.5 million dwt)

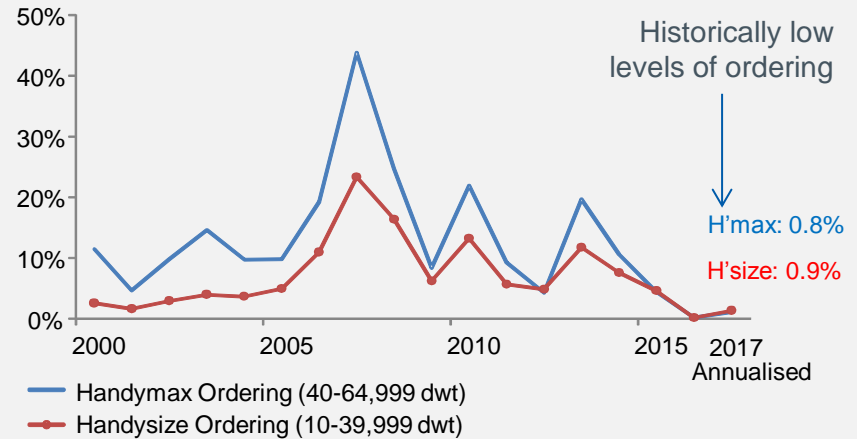


Total Dry Bulk Orderbook

623 vessels (64.1 million dwt)



New Vessel Ordering is Down



- Combined Handysize and Supramax orderbook now at 5.4%, lowest since Oct 1999
- Net fleet growth estimated at about 3.5% in FY17
- Very low new vessel ordering in last 18 months influenced by:
 - Secondhand values still low
 - New low sulphur and Ballast Water Treatment System regulations create uncertainty of design
 - New accounting rules from 2019 discouraging new long-term time charters

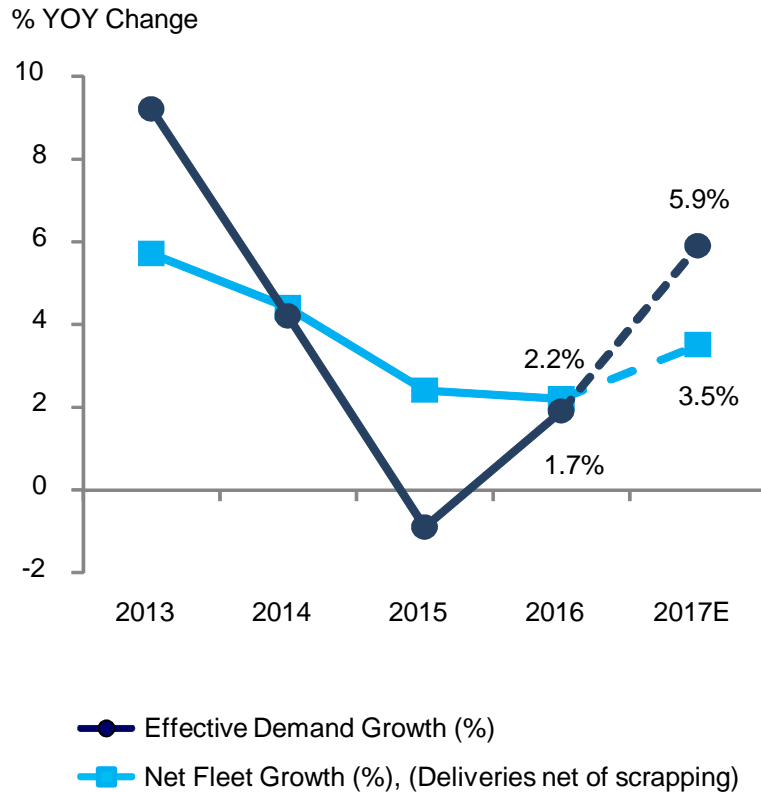
Source: Clarksons Platou, as at 1 Oct 2017

3Q17 Trading Update

7

With you for the long haul

Dry Bulk Supply & Demand



- Demand is recovering and outpacing supply so far in 2017
- For full year 2017:
 - Clarksons estimate effective demand growth to exceed 5%
 - PB estimate net supply growth around 3.5% (5.0% deliveries – about 1.5% scrapping)
- Progressively fewer new ships will deliver from shipyards in 2018 and 2019
- However, risk of new ordering and the potential for increased vessel speeds remain negative factors



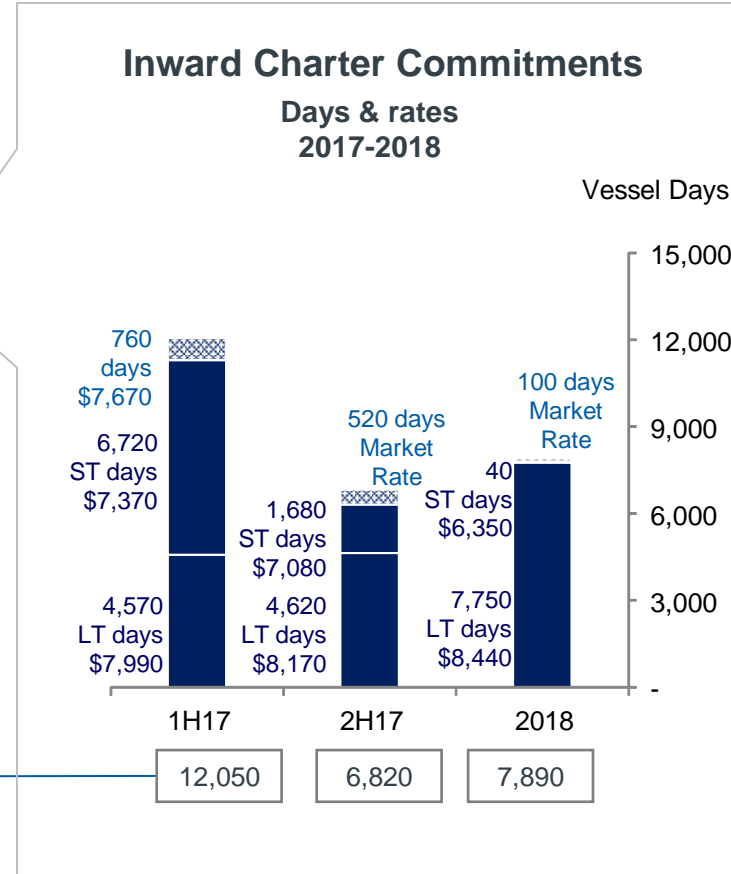
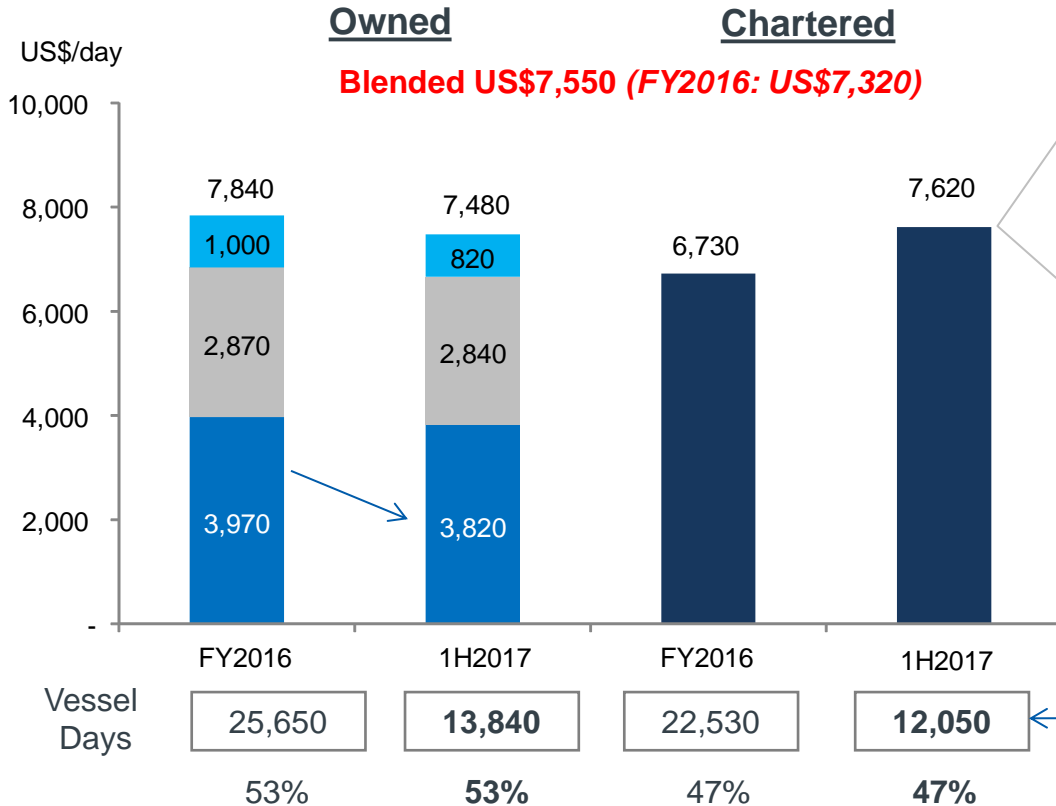
1H17 Daily Vessel Costs – Handysize

As in 2017 Interim Report

Pacific Basin

- Finance cost
- Depreciation
- Opex
- Charter-hire : Short-term (ST) / Long-term (LT)
- Charter-hire : Index-linked

As at 30 June 2017



- Daily cash cost before overhead: US\$6,310 (1H16: US\$6,010)
- Charter-hire costs increased due to new ST charters in stronger market
- Opex further reduced due to scale benefits
- **Overheads** reduced to US\$590/day (1H16: US\$680/day) - includes all direct & indirect costs

* Chartered rates are shown net of provision

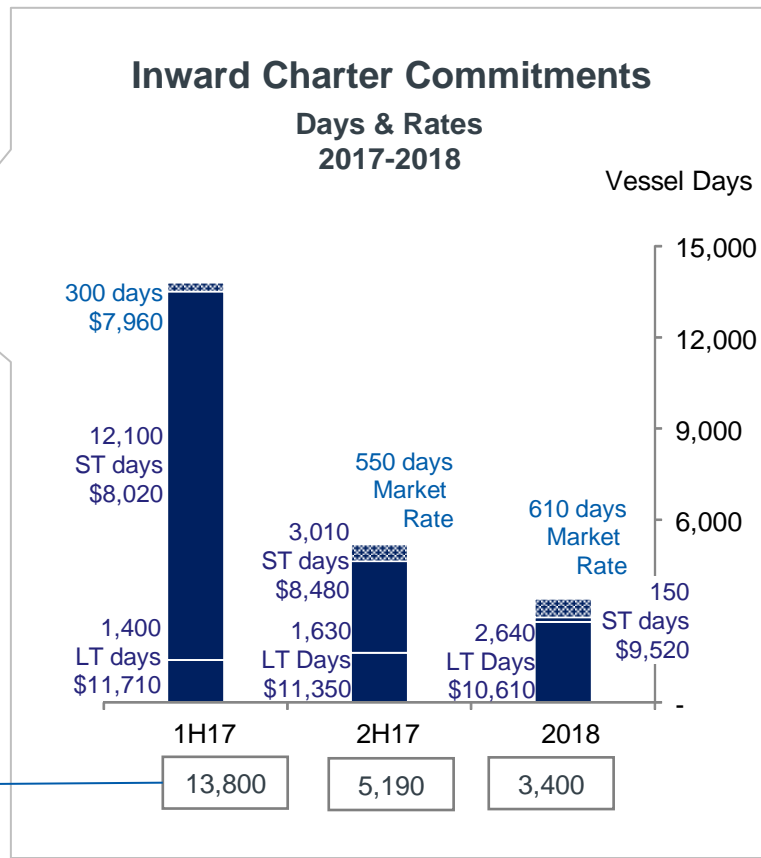
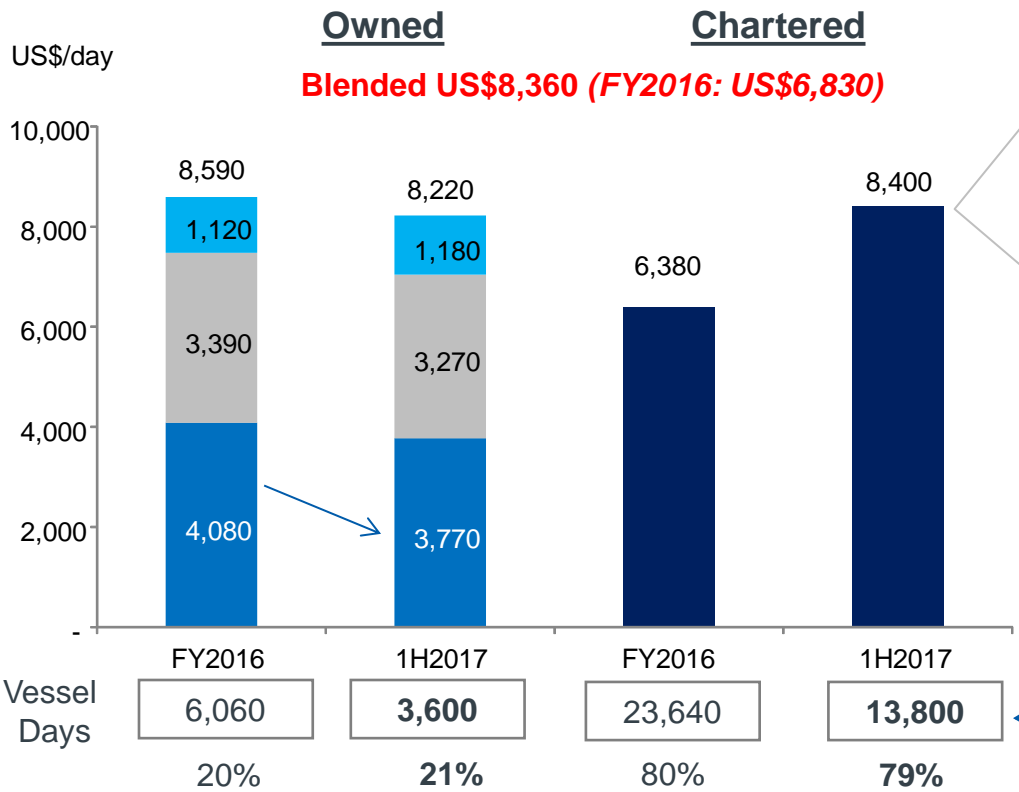


1H17 Daily Vessel Costs – Supramax

Pacific Basin

- Finance cost
- Charter-hire : Short-term (ST) / Long-term (LT)
- Depreciation
- Charter-hire : Index-linked
- Opex

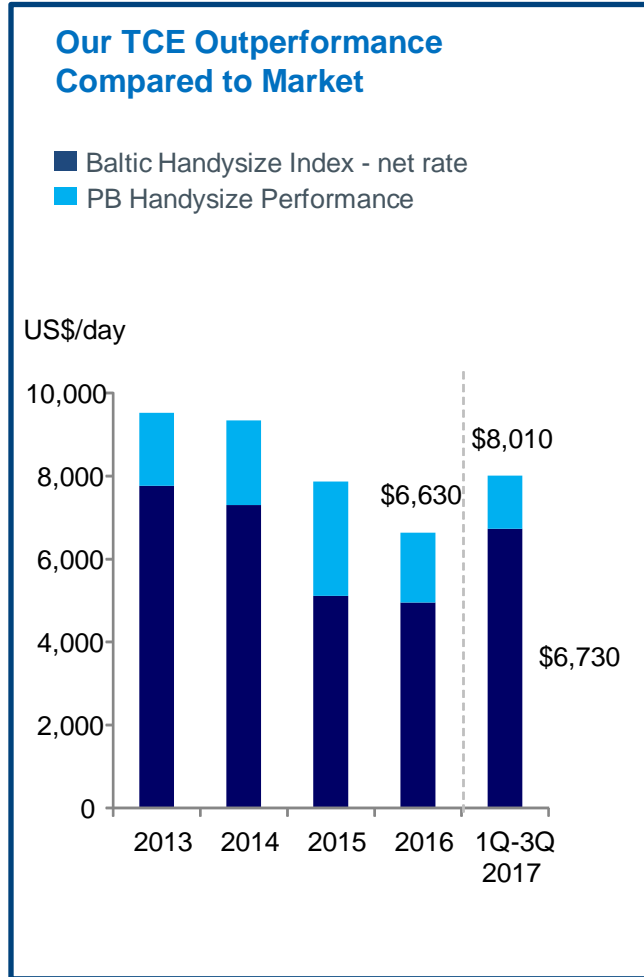
As at 30 June 2017



- Daily cash cost before overhead: US\$7,850 (1H16: US\$5,940)
- Charter-hire costs increased due to new ST charters in stronger market
- Opex further reduced due to scale benefits
- **Overheads** reduced to US\$590/day (1H16: US\$680/day) - includes all direct & indirect costs

* Chartered rates are shown net of provision

Our Ability to Outperform



Our business model has been refined over many years. We are able to generate a TCE earnings premium over market rates because of our high laden percentage (minimum ballast legs), which is made possible by a combination of:

- Our fleet scale
- High-quality substitutable ships
- Experienced staff
- Global office network
- Our cargo contracts, relationships & direct interaction with end users
- Our fleet has a high proportion of owned vessels facilitating greater control and minimising trading constraints
- Our segment’s versatile ships and diverse trades

Average PB premium over market indices in last 5 years:

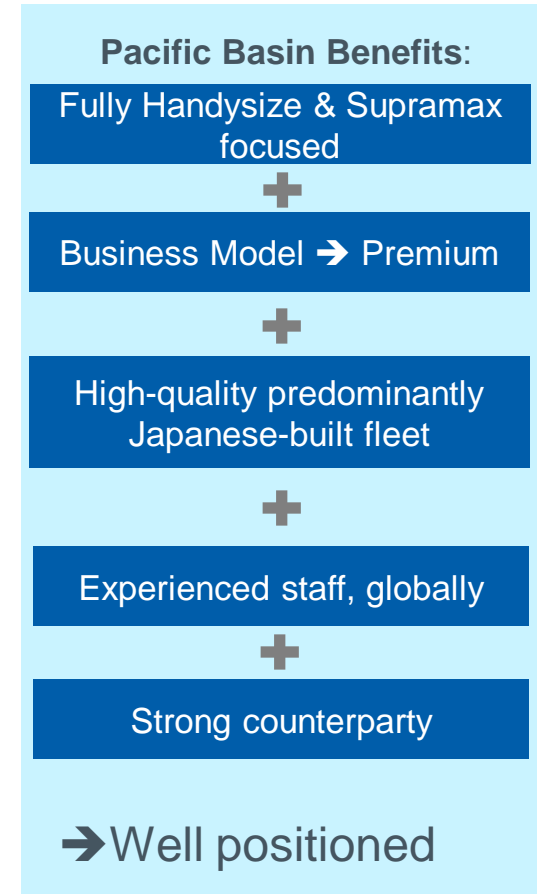
- Handysize TCE: **US\$1,940/day**
- Supramax TCE: **US\$1,290/day**

Dry Bulk Outlook

- Market conditions have improved since last year and we believe the worst of the current Dry Bulk market cycle is behind us
- Demand has recovered and benefit from growing grain consumption for animal feed and increased government stimulus in China
- The shrinking orderbook bodes well for long-term but more time, scrapping and limited ordering are required for a more normal market balance to be sustained

Strategy

- Continue to focus on our world-leading Handysize & Supramax business
- Maximise our fleet utilisation and TCE earnings by combining minor bulk characteristics with our large fleet of substitutable ships & global office network
- Continue to assess attractive secondhand vessel acquisition opportunities if they can generate reasonable return & payback
- Healthy cash and net gearing positions enhance our strong corporate profile: preferred, strong, reliable, safe partner for customers and other stakeholders
- We are well positioned for a recovering market



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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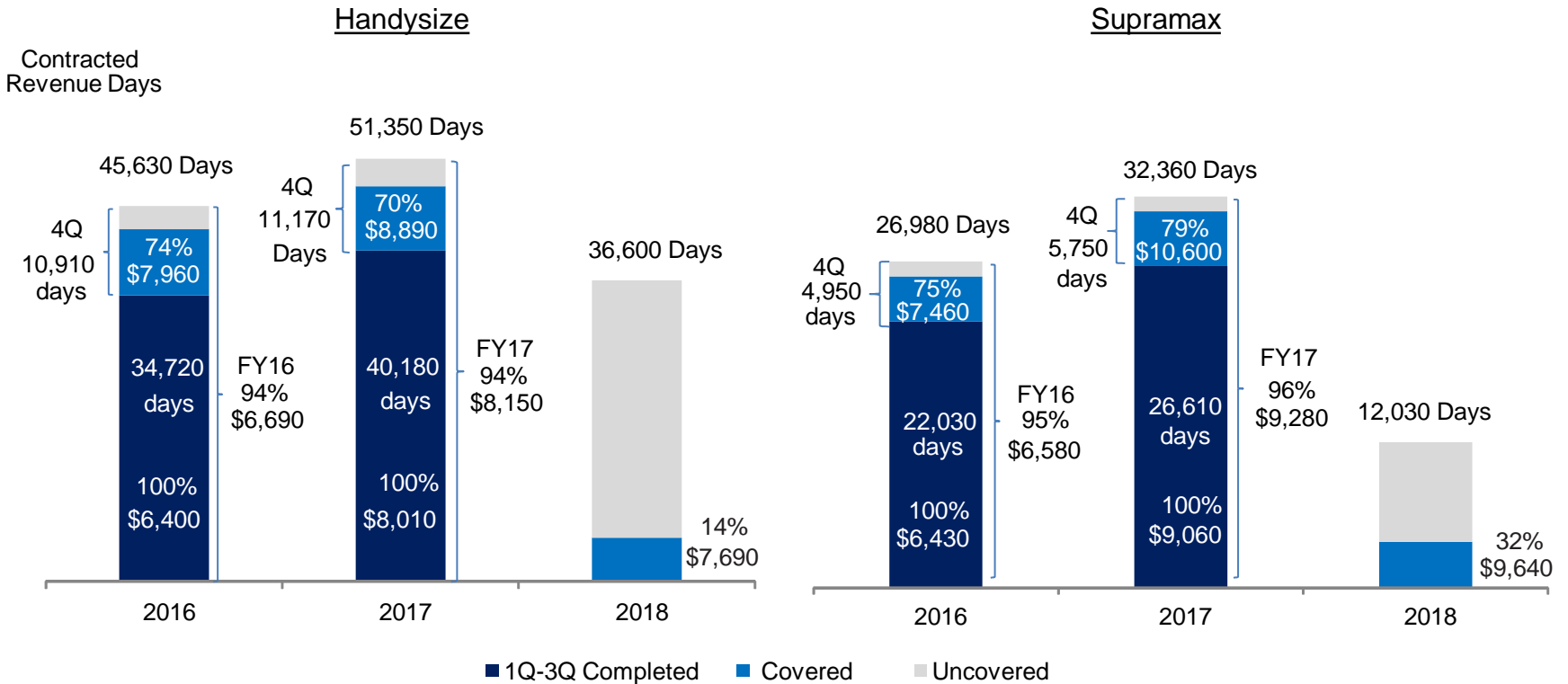
- Corporate Information
- CG, Risk Management and CSR
- Fleet Profile and Download
- Investor Relations:
 - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary

Social Media Communications

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Appendix: Earnings Cover in 2017



Currency in US\$, data as at 10 Oct 2017
 *2016 data as announced in Oct 2016

Appendix: Large Fleet of Modern Versatile Ships

Pacific Basin Dry Bulk Fleet: 264

Average age of core fleet: 7.3 years old

www.pacificbasin.com
Customers > Our Fleet



	Owned ¹	Chartered ²	Total
Handysize	80	85	165
Supramax	25	72	97
Post-Panamax	1	1	2
Total	106	158	264



¹ Two recent acquisitions (one secondhand Handysize and one Supramax newbuilding resale) will join our owned fleet when they deliver in Q4 2017 and Q1 2018 respectively.

² Average number of vessels operated in Sep 2017
Fleet as at 10 Oct 2017