1H07 Results Highlights

- Profits: US$162.9m (36.4m) • Basic EPS: HK81¢ (22¢)
- Includes US$50.2m (Nil) disposal gains
- Handysize average daily charter rate: US$19,750/day (US$14,400/day)
- ROE: 63% (25%) • Net Profit Margin: 61% (26%)
- Interim dividend 2007: HK45¢ • Payout: 55% (92%)
- Total shareholders’ return: 84% (8%), comprising HK$3.90 of capital gains and HK22.5¢ of dividends paid
What is Pacific Basin?

- World’s largest modern handysize vessel owner/operator
- 17 offices worldwide, 260 shore-based staff, 1000 seafarers
- We carry the dry bulk commodities required for China’s and Asia’s growth
- Enjoying record high rate environment brought about by tight balance of ship supply and commodity demand
**Core Fleet Profile as at 1 August 2007**

**Handysize: 71**
- **Chartered**: 41
  - Newbuilding 2
  - Operating Lease 23
  - Finance Lease 16
- **Owned**: 30
  - Newbuilding 11
  - Owned 19

**Handymax: 12**
- **Chartered**: 9
  - Newbuilding 1
  - Chartered 8
- **Owned**: 3
  - Newbuilding 1
  - Owned 2

**Core fleet totals 83 ships**

**Core & short-term fleet totals 113 ships**

**Investment programme totals US$225 million in 12 ships**

**2007 handysize revenue days to grow by 22% over 2006**
Diversified Cargo

Total Handysize and Handymax Cargo Volume in 1H07

- Log & Forest Products: 6%
- Fertilisers: 11%
- Grains: 11%
- Steel & Scrap: 8%
- Cement: 9%
- Alumina: 3%
- Salt: 5%
- Concentrates: 7%
- Ore: 6%
- Sugar: 5%
- Petcoke/Coal/Coke: 14%
- Other Bulks*: 15%
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Market Review
Baltic Exchange Indices

The Baltic Dry Index (BDI)

The Baltic Handysize Index (BHSI)

Note: BHSI is shown as Net rate i.e. gross after commission of approx. 5%
Both BDI and BHSI as at 2 August 2007. BHSI officially started on 2 Jan 07
Sources: The Baltic Exchange, Bloomberg LP
Dry Bulk – 1 Year Time-Charter Rate

As at 29 July 2007

Capesize
$91,200 (Jan07: $59,138)

Panamax
$50,113 (Jan07: $29,450)

Supramax
$42,750 (Jan07: $27,729)

Handysize
1-Year: $27,550 (Jan07: $18,169)
3-Year: $21,850 (Jan07: $15,854)

Note: Net Rate
Source: Clarkson
Strong Growth in Dry Bulk Trade

Global Trade in Dry Bulks

2003-2006E CAGR: 6.4%

Long term historical growth of approx. 2%...

…but pace has quickened in last 5 years

Dry bulk trade volume highly correlated with world GDP growth

Source: Fearnleys
Voyage distances have grown... and continue to do so

7% real growth driver for dry bulk ship demand
Port Congestion Squeezing Supply

Total Vessel Congestion at Australian Ports

No. of Vessels

Source: Monson Agencies Australia

Coal demand the dominant cause

Direct impact on handysize rates
Low Orderbook in Handysize

<table>
<thead>
<tr>
<th>Type of Vessels</th>
<th>Orderbook as % of Existing Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Container</td>
<td>48%</td>
</tr>
<tr>
<td>Tanker</td>
<td>40%</td>
</tr>
<tr>
<td>Others</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dry Bulk</th>
<th>39%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capesize 100K +</td>
<td>60%</td>
</tr>
<tr>
<td>Panamax 60-100K</td>
<td>30%</td>
</tr>
<tr>
<td>Handymax 40K-60K</td>
<td>42%</td>
</tr>
<tr>
<td>Handysize 25-35K</td>
<td>20%</td>
</tr>
</tbody>
</table>

All yards are almost full until 2010

Yards starting to take more dry bulk orders

But still limited supply in dry bulk, particularly handysize

Orderbook as at Jul 2007, Source: Clarkson
Ageing World Fleet Points to Scrapping

More than 32% older than 25 years

Uncertainty over ‘real’ deliveries from 2009

Low supply of handysize despite growing demand

Source: Clarkson
Dry Bulk Carrier Sale & Purchase Market

Now worth approx. US$39m (Clarkson), but US$41 million by our estimates.

Our asset value moves in line with rising market values.

---

2nd-hand 5-year old handysize vessel price (25K-35K dwt)

August 07: US$39.0 mil

Source: Clarkson
Financial Review
# 1H07 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>1H07</th>
<th>1H06</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCE Earnings (US$m)</td>
<td>269.2</td>
<td>140.4</td>
</tr>
<tr>
<td>Vessel disposal gains</td>
<td>50.2</td>
<td>-</td>
</tr>
<tr>
<td>Reported net profit</td>
<td>162.9</td>
<td>36.4</td>
</tr>
<tr>
<td>Return on average shareholders’ equity</td>
<td>63%</td>
<td>25%</td>
</tr>
<tr>
<td>Basic EPS (HK¢)</td>
<td>81</td>
<td>22</td>
</tr>
<tr>
<td>Dividends (HK¢ per share)</td>
<td>45.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Payout ratio</td>
<td>55%</td>
<td>92%</td>
</tr>
<tr>
<td></td>
<td>1H07</td>
<td>1H06</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Revenue days (days)</td>
<td>9,590</td>
<td>7,570</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>19,750</td>
<td>14,400</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>9,370</td>
<td>8,540</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>99.5</td>
<td>44.4</td>
</tr>
</tbody>
</table>

Deliveries of 2006 purchases increase revenue days

1H07 TCE rates strengthened

Blended cost reflects more chartered in vessels
## Results – Handymax Freight & Charter-hire

### Drivers of the results

<table>
<thead>
<tr>
<th></th>
<th>1H07</th>
<th>1H06</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days (days)</td>
<td>2,260</td>
<td>1,320</td>
<td>+71%</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>25,180</td>
<td>15,690</td>
<td>+60%</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>20,580</td>
<td>17,710</td>
<td>+16%</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>10.0</td>
<td>(3.0)</td>
<td></td>
</tr>
</tbody>
</table>

- Division fully operational compared to 1H06
- Exceptional 2Q07 TCE rates
Daily Vessel Costs - Handysize

Blended US$9,370 (FY2006: US$8,880)

<table>
<thead>
<tr>
<th>Year</th>
<th>Owned</th>
<th>Chartered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$8,480</td>
<td>$10,040</td>
</tr>
<tr>
<td>1H07</td>
<td>$8,330</td>
<td>$11,580</td>
</tr>
</tbody>
</table>

- 2006: 12,390 Vessel Days (75%)
- 1H07: 6,620 Vessel Days (68%)
- FY 07: US$11,600
- FY 08: US$12,000

Higher percentage of Chartered Days

Contracted Charter-hire
FY 07: US$11,600
FY 08: US$12,000
# Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>30 Jun 07</th>
<th>31 Dec 06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$mil</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net book value of fixed assets (^1)</td>
<td>763.5</td>
<td>741.0</td>
</tr>
<tr>
<td>Gross borrowings</td>
<td>319.5</td>
<td>350.5</td>
</tr>
<tr>
<td>Cash</td>
<td>83.3</td>
<td>63.2</td>
</tr>
<tr>
<td>Net borrowings</td>
<td>236.2</td>
<td>287.3</td>
</tr>
<tr>
<td>Shareholder's equity</td>
<td>599.5</td>
<td>485.0</td>
</tr>
<tr>
<td><strong>Net borrowings / Fixed assets</strong></td>
<td>30.4%</td>
<td>38.1%</td>
</tr>
<tr>
<td><strong>Net borrowings / Shareholder's equity</strong></td>
<td>39.4%</td>
<td>59.2%</td>
</tr>
</tbody>
</table>

**Note 1**
37 Delivered vessels:
NBV = US$675.6m, average US$18.3m
Insured value = US$1.5bn (4 Jul 07)

**Capital commitments**
30Jun07: US$225.3m

**Insured values of all vessels with ownership interest US$2.4bn**
## Cashflow

**US$m**

<table>
<thead>
<tr>
<th>Description</th>
<th>1H07</th>
<th>1H06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating cash inflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>131.3</td>
<td>57.3</td>
</tr>
<tr>
<td><strong>Investing cash outflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Payments for property, plant and equipment</td>
<td>(24.1)</td>
<td>(91.4)</td>
</tr>
<tr>
<td>- Sales of vessels</td>
<td>(167.6)</td>
<td>(97.5)</td>
</tr>
<tr>
<td>- Purchase of shares of other listed shipping companies</td>
<td>176.0</td>
<td>-</td>
</tr>
<tr>
<td>- Others</td>
<td>(37.8)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Financing cash outflows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net (repayment) / drawdown of borrowings</td>
<td>(87.2)</td>
<td>(5.5)</td>
</tr>
<tr>
<td>- Repayment of finance lease payables – capital element</td>
<td>(23.0)</td>
<td>71.0</td>
</tr>
<tr>
<td>- Payment of interest and other finance charges</td>
<td>(7.9)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>- Dividend paid</td>
<td>(10.2)</td>
<td>(11.2)</td>
</tr>
<tr>
<td>- Others</td>
<td>(45.0)</td>
<td>(58.1)</td>
</tr>
<tr>
<td></td>
<td>(1.1)</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Cash at 30 June</strong></td>
<td>83.3</td>
<td>42.6</td>
</tr>
</tbody>
</table>
Dividend

Continue to payout at least 50% of annual attributable profits

Actual payout ratio has consistently exceeded the stated policy

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
<th>US$mil</th>
<th>HK ¢ per share</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Interim (paid 7Sep06)</td>
<td>33.4</td>
<td>22.0</td>
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<tr>
<td></td>
<td>Final (paid 17Apr07)</td>
<td>45.1</td>
<td>22.5</td>
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<tr>
<td></td>
<td>Total for year</td>
<td>78.5</td>
<td>42.5</td>
<td>71%</td>
</tr>
<tr>
<td>1H07</td>
<td>Interim (ex div 20Aug07)</td>
<td>90.3</td>
<td>45.0</td>
<td>55%</td>
</tr>
<tr>
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<td>(pay 31Aug07)</td>
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New Developments & Outlook

Jiangmen Nanyang Shipyard – Hull 101
Other Operations in China

- First co-investment in a Chinese bulk cargo terminal - with Nanjing Port Group
- Pacific Basin holds 45% interest with equity commitment of US$16 million in 2007
- Joint ship owning venture agreed with the shipping arm of China’s largest power company
- JV will procure tonnage to service China’s growing international coal needs
- 95k dwt tonne newbuilding bulker chartered from 2011

Source: Bloomberg, SSY
Listed Shipping Investments

- Q107 – Pacific Basin began investing a portion of cash reserves in a selection of other shipping equities
- Taking advantage of in house knowledge of the shipping market and excellent access to industry information flows
- Investments as of 30 June amounted to US$34.9 million
- Actual return on investments since inception was US$11.3 million (32%) as of 30 June
- Largest single investment is in Thoresen Thai Agencies (5.06% stake)
Earnings Coverage

* includes an approximate US$1,000/day anticipated uplift from efficient voyage execution
Outlook

- Interim dividend 2007: HK45¢
- Handysize revenue days set to increase by 22% in 2007, and 9% in 2008
- 72% of 2008 handysize days uncovered; current spot market at almost US$32,500 per day net
- Record high vessel prices
- Active development of business model into complementary areas
- Industrial revolution in the world’s most populous country continues to drive our markets
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.