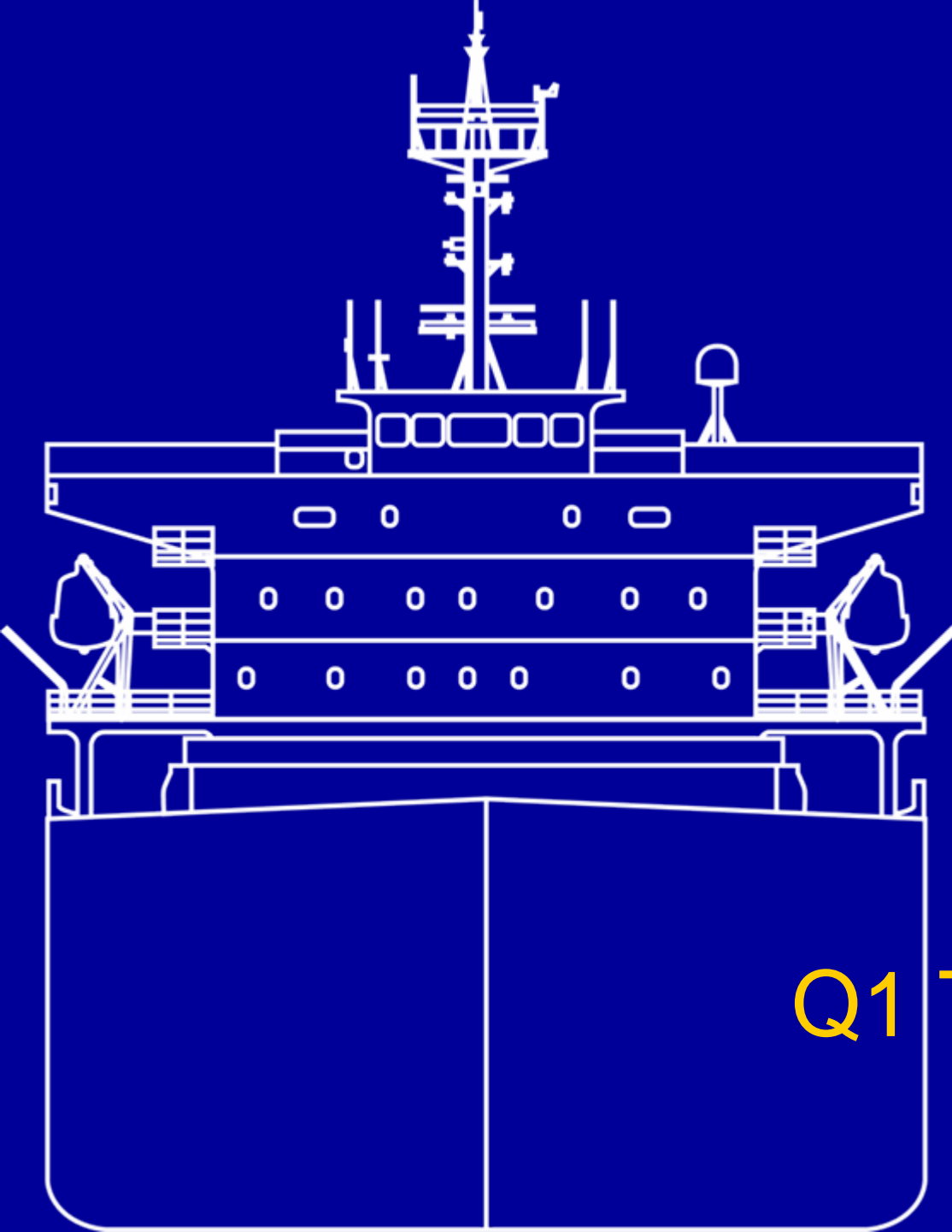




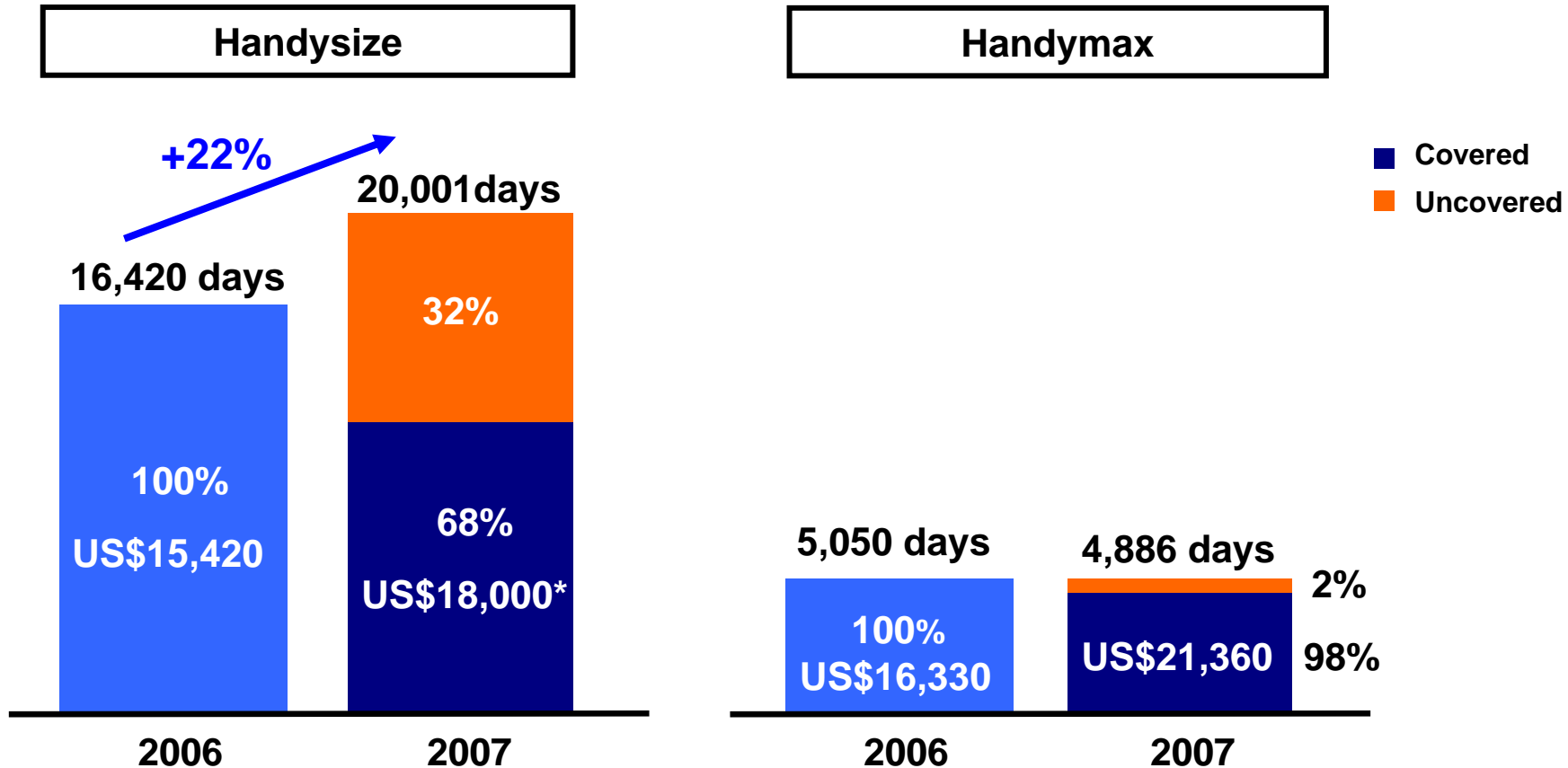
Pacific Basin

Stock Code: 2343



Q1 Trading Update
26 April 2007

Q1 2007 Earnings Coverage



* Includes an approx. \$1,000/day anticipated uplift from efficient voyage execution



Outlook

- **2007 Handysize coverage of 68% at about US\$18,000***
- **2007 Handysize revenue days grow by further 22% over 2006**
- **Historically high vessel prices up around 48% from 2006 lows**
- **Low orderbook of 17% of the ageing fleet, with 5% delivery in 2007**

- **Strong outlook of freight market and commodities demand to fuel China and Asia's growth**
- **Continued cyclical upswing in the dry-bulk market**



What is Pacific Basin?

- **World's largest modern handysize vessel owner/ operator**
- **Handysize revenue days grew by 66% from 2004 to 2006**
- **16 offices worldwide, 260 shore-based staff, 1000 sea-farers**
- **Highly profitable industry**

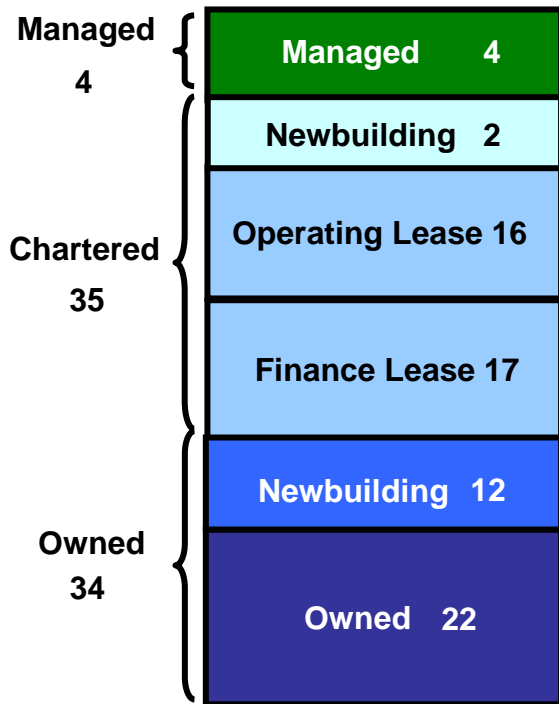
- **2007 Handysize revenue days to grow by further 22% over 2006**
- **TCE earnings grew by 83% from 2004 to 2006**
- **Track record for providing shareholder return including high dividend payout**

- **Carry dry bulk commodities needed for China's and Asia's future growth**
- **Ideally positioned to benefit from future growth in China and Asia**
- **Continued cyclical upswing in the dry-bulk market**

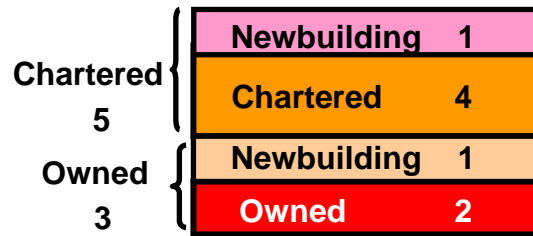


Fleet Profile

Handysize: 73



Handymax: 8



**Core fleet totals
81 vessels**

**Core & short-term vessels
- totals 109**

**Investment
programme totals
US\$250 million
in 12 vessels**

**2007 Handysize
revenue days to grow
further by 22% over 2006**

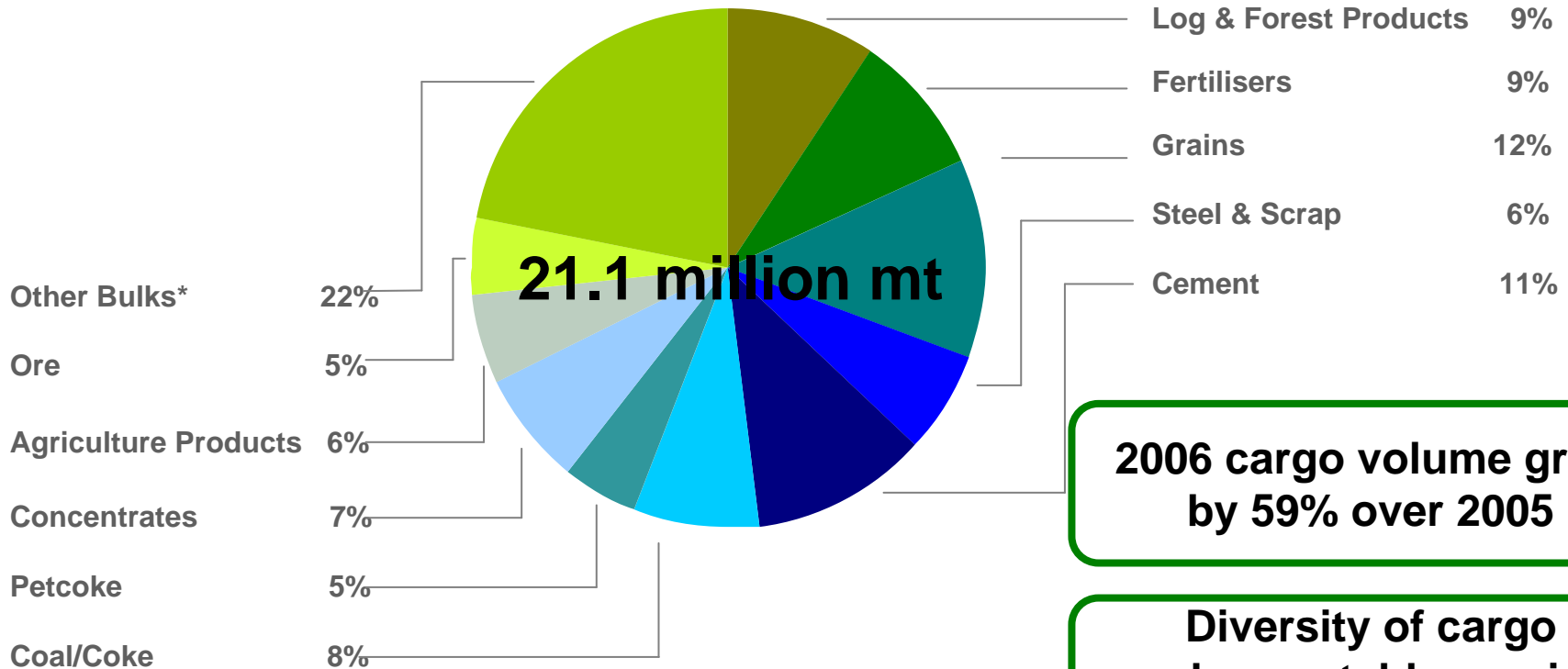
Core fleet profile as at 11 April 2007



Note: Number of short-term vessels as at 28 Feb 2007

Diversified Cargo

Total Handysize and Handymax Cargo Volume in 2006



2006 cargo volume grew by 59% over 2005

Diversity of cargo produces stable earnings versus major bulks

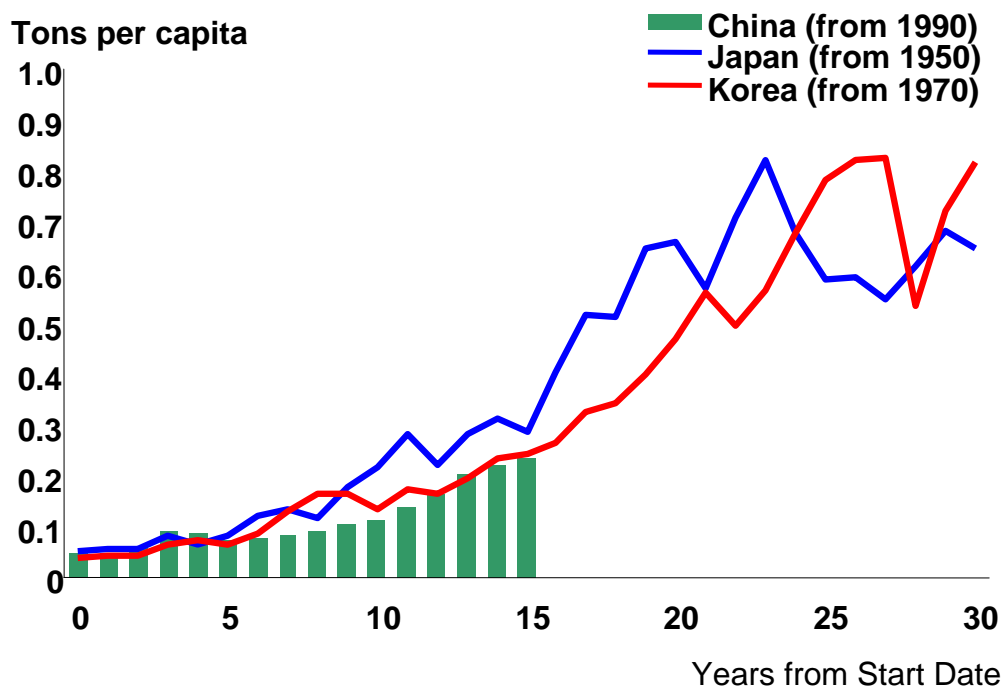
Ballast time: 14%

* Includes Cement Clinker, Gypsum, Alumina, Sands, Soda Ash, Agriculture Products, Ore, Aggregates and other bulk products



China at Early Industrialization Stage

Steel Consumption Per Capita



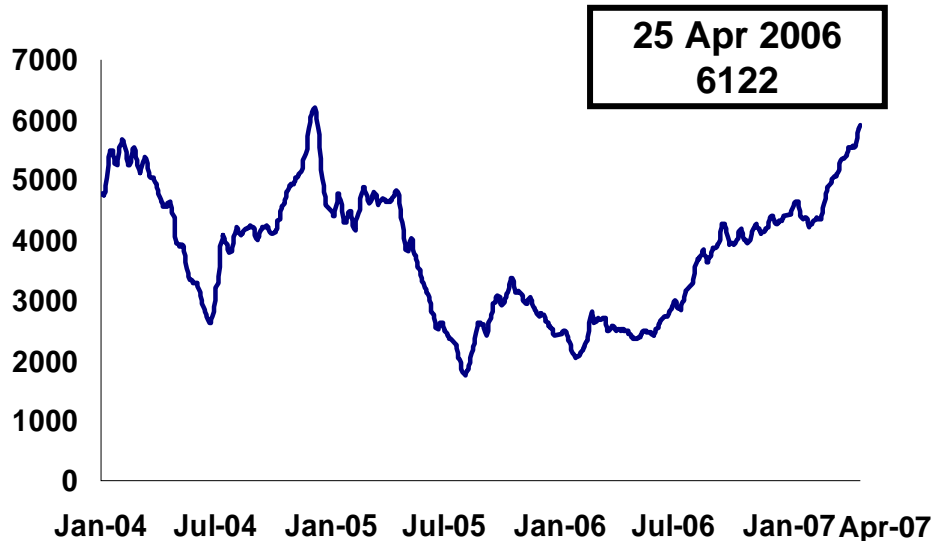
Same growth as historical trend in Japan and Korea

Indicating long term dry bulk strong growth

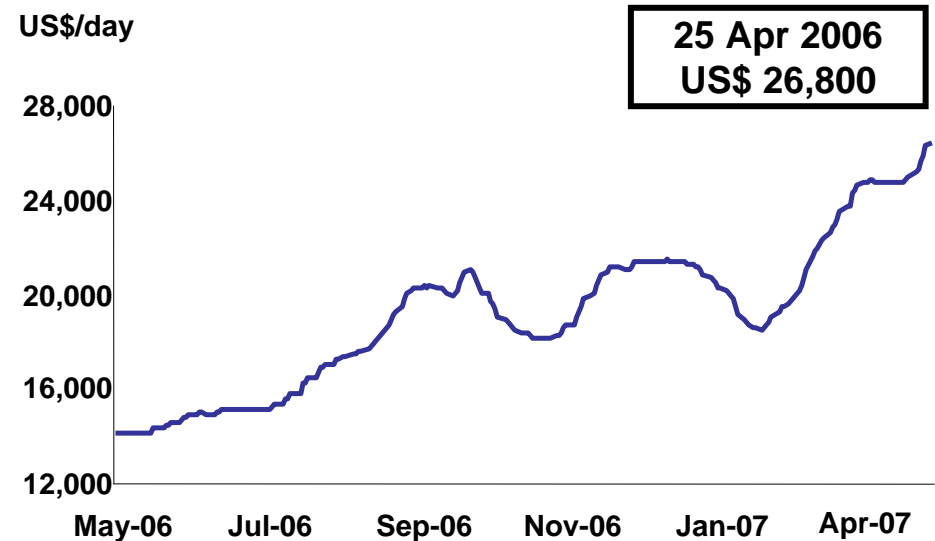
Same trend for other commodities – electricity & cement

The Baltic Exchange Indices

The Baltic Exchange Dry Index (BDI)



The Baltic Exchange Handysize Index (BHSI)



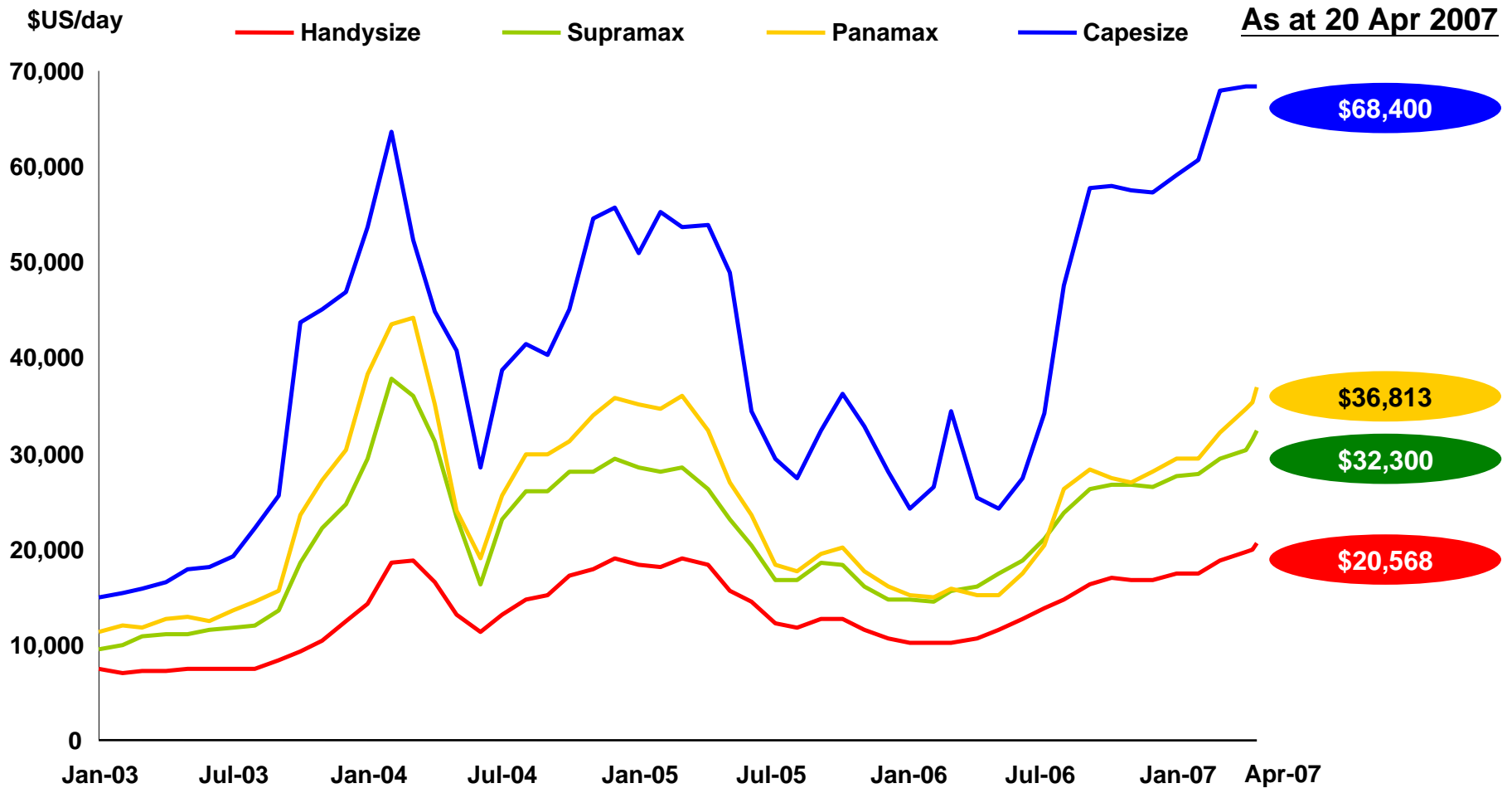
Note: BHSI is shown as Net rate

Both BDI and BHSI ended at 24 April 2007, with BHSI officially started on 2Jan07

Sources: The Baltic Exchange, Bloomberg LP



Dry Bulk – 1 year Time-Charter Rate

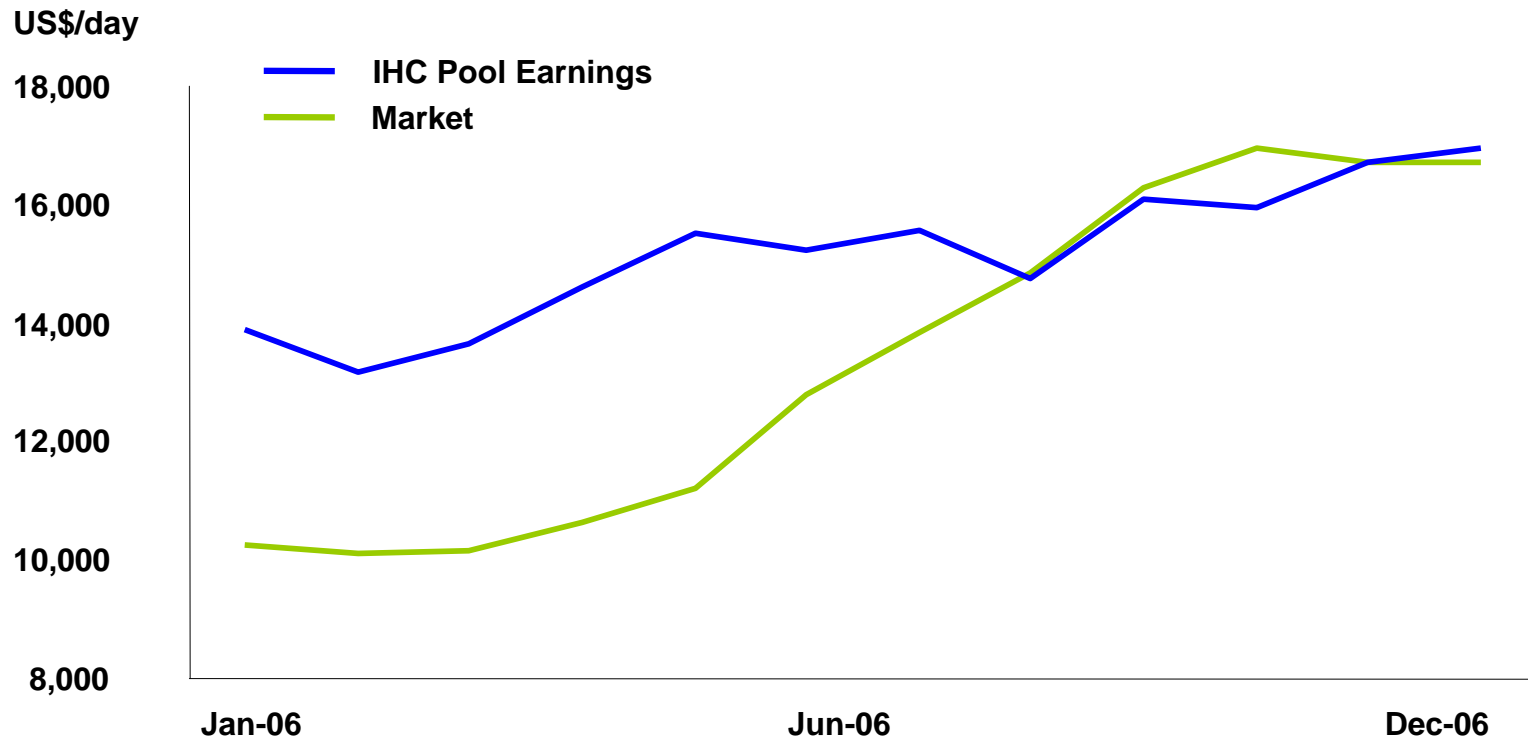


Note: All data are in Net rate
 Handysize 1 Year TCE Rate based on 25K-35K vessel
 Source: Clarkson



PB Against the Market

IHC Pool Earnings vs. Market (2006)

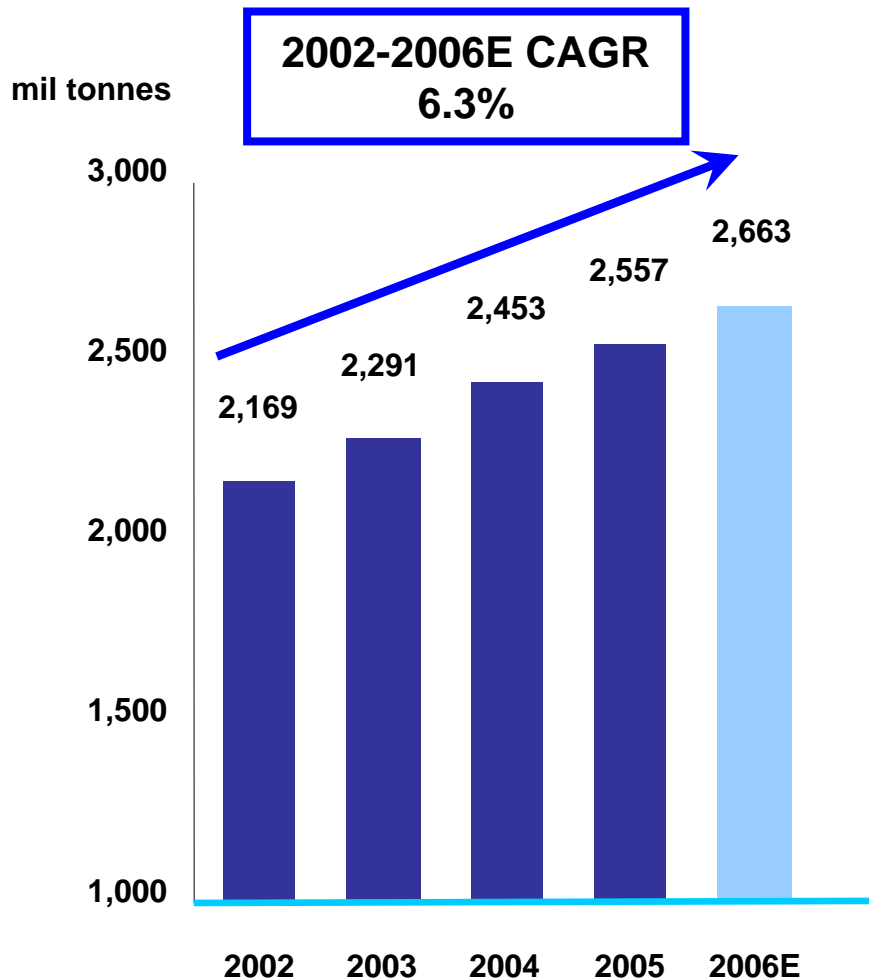


We outperformed by **US\$1,800/day** or **14%** in 2006

Note: Market defined as Clarkson 1-Year TCE Net Rate
Sources: Company data, Clarkson

Strong Growth in Dry-bulk Trade

World Seaborne Dry Bulk Trade



Historical growth of
approx. 2%

Dry-bulk trade
estimated to increase
over 5% 07/06

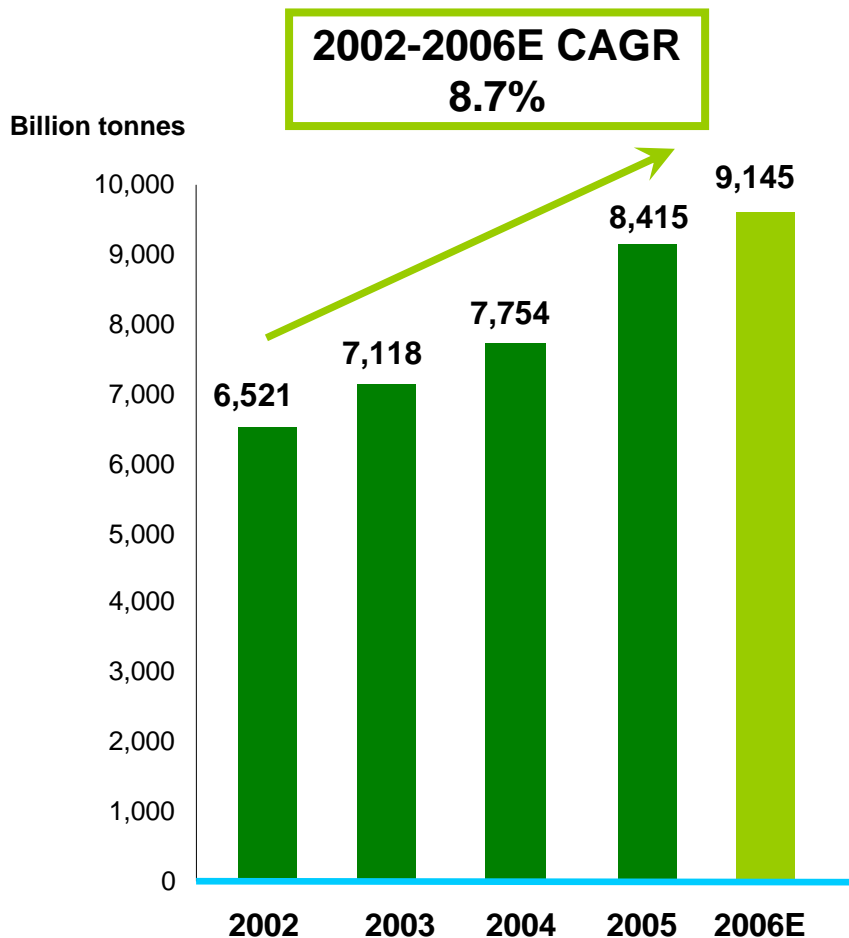
Significant growth
in recent 5 years



Source: Clarkson

Tonne-miles: Distance Carried is a Crucial Factor

Global trade in major bulks – tonne-miles



**Distances carried
are growing
– and continue to do so**

**8.7% real growth
driver for
dry-bulk ship demand**

**Estimated 5%
growth in 2007**



Note: Major bulks include iron ore, coal, grain
Source: Fearnleys

Low Orderbook in Handysize





Type of Vessels Orderbook as % of Existing Fleet

Container	44%
Tanker	40%
Others	26%
Dry Bulk	30%

All yards are almost full until 2010

Yards prefer to build large vessels with higher profitability

Limited supply in dry-bulk, particularly Handysize

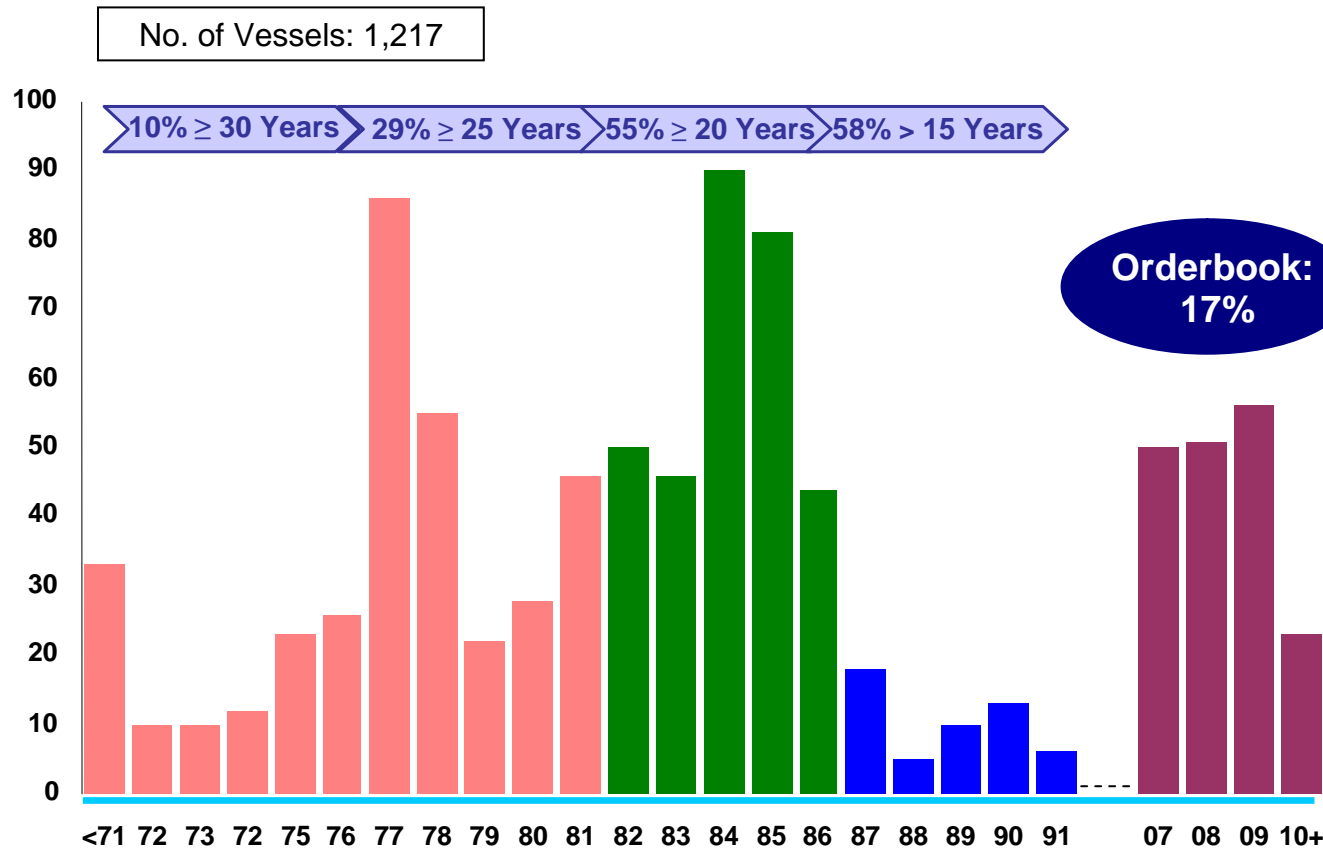
Type of Vessel	Orderbook as % of Existing Fleet	Average Age
Capesize 100K + 	43%	11.2
Panamax 60K-100K 	24%	11.6
Handymax 40K-60K 	32%	11.6
Handysize 25K-35K 	17%	17.8

Note: Orderbook as at April 2007
Source: Clarkson



But Even Better- Ageing World Fleet Points to Scrapping

Age Profile of Global Handysize (25K-35K) – March 2007



**More than
29% older
than 25 years**

**Handysize ave. age
is 17.8 years old,
eldest among
dry-bulk fleet**

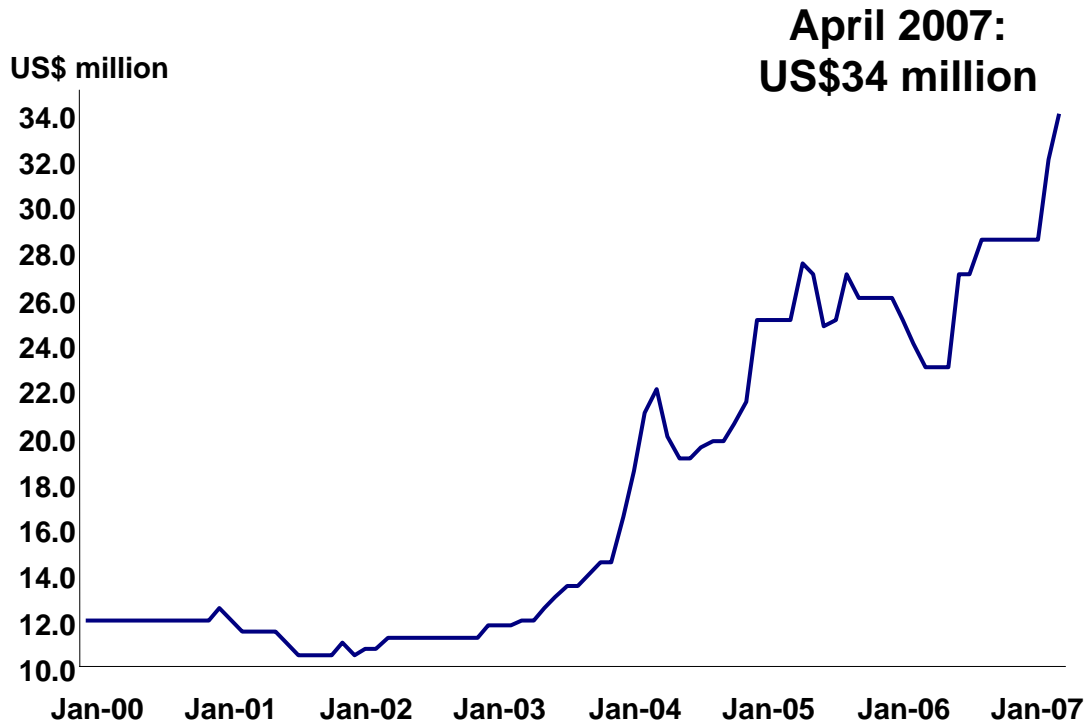
**Low net supply of
Handysize despite
demand**



Source: Clarkson

Dry Bulk Carrier Sale & Purchase Market

Second hand 5-year old, Handysize (25-35K) vessel value



A 5-year second-hand Handysize vessel is now worth approx. US\$34 million

Our asset value moves in line with rising market values

- Owned
- Chartered with purchase options
- Newbuildings

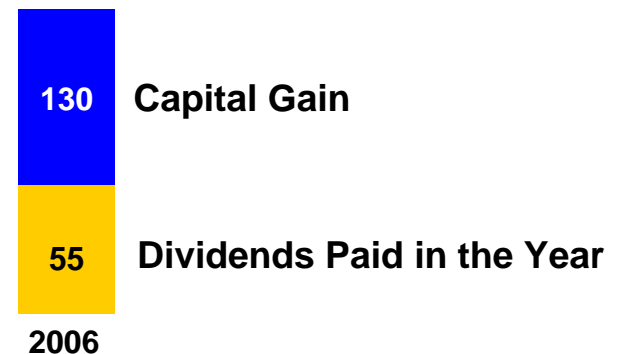


Source: Clarkson

Annual Results 2006 Highlights

- Profits: US\$110.3m (2005: 147.1m) • Basic EPS: HK65¢ (90¢)
- A year of two halves with 2H profit double 1H - 1H06:US\$36.4m, 2H06:US\$73.9m
- Handysize average daily charter rate: US\$15,420/day (\$17,100/day)
- Net cash from operations : US\$148.2m (173.3m)
- ROE: 36% (54%) • Net Profit Margin: 32% (56%)
- Proposed final dividend 2006: HK22.5¢ (Interim dividend 2006 paid: HK20¢)
- Payout: 71% (73%)
- Total shareholders' return: 51% (21%)

Total Shareholders' Return: 51% *



* Capital gain was share price appreciation in 2006,
Dividends = Final 05 of HK35¢ and Interim 06 of HK20¢

Financial Highlights

	2006	2005
TCE Earnings (US\$m)	344.8	264.7
Vessel disposals net gain	23.7	23.5
Reported net profit	110.3	147.1
Return on average shareholders equity	36%	54%
Basic EPS (HK¢)	65	90
Dividends (HK¢ per share)	42.5	65.0
Payout ratio	71%	73%



Results – Handysize Freight & Charter-hire

Drivers of the results

		1H06	2H06	2006	2005	% Change
Revenue days	(days)	7,570	8,850	16,420	14,260	+15%
TCE earnings	(US\$/day)	14,400	16,290	15,420	17,100	-10%
Owned + chartered cost	(US\$/day)	8,540	9,160	8,880	7,870	+13%
Contribution	(US\$m)	44.4	63.0	107.4	131.6	-18%

**2H06 deliveries
increase revenue days**

1H06 TCE rates soft

**Blended cost reflects
more chartered in vessels**



Results – Handymax Freight & Charter-hire

Drivers of the results

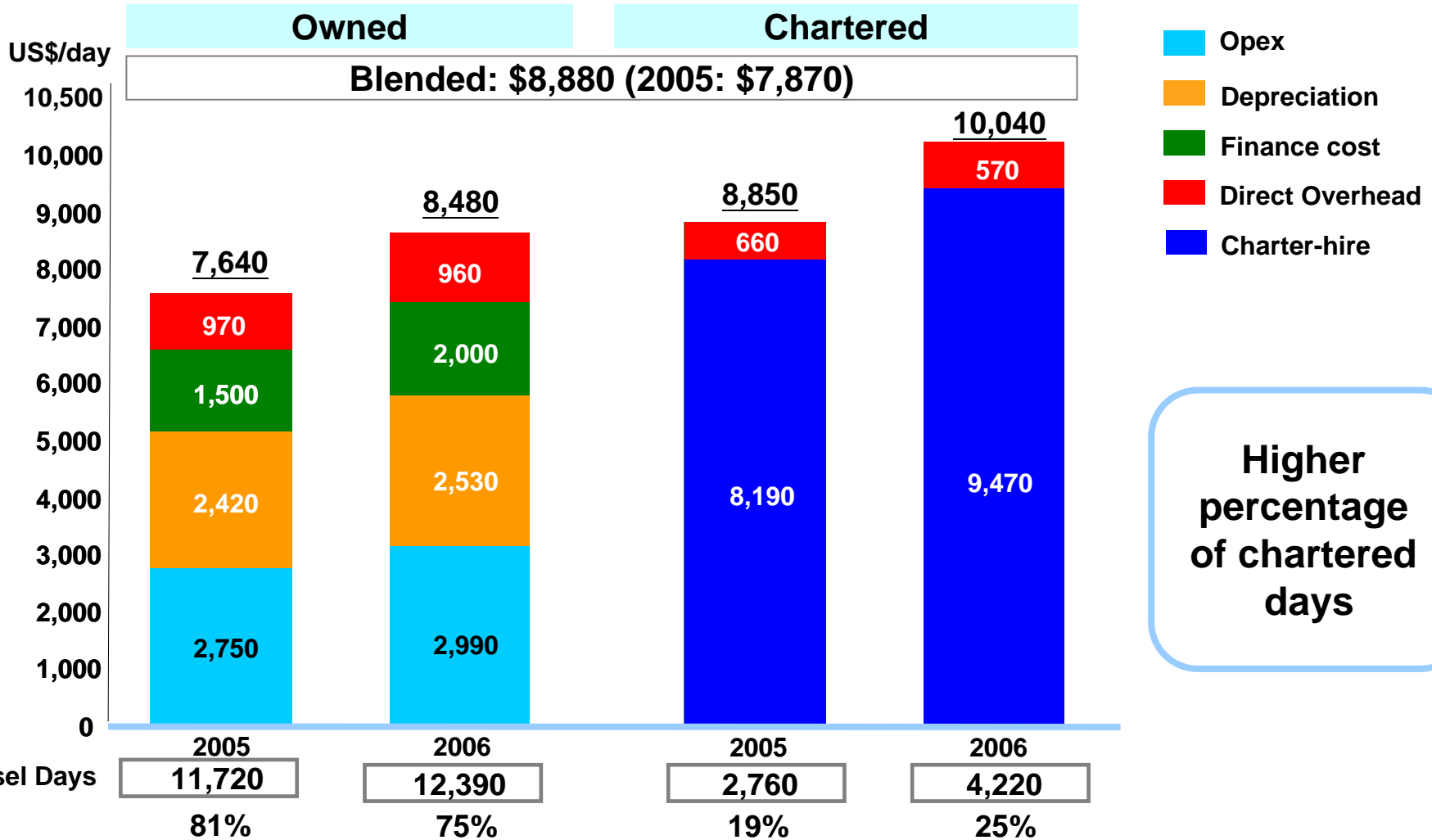
		1H06	2H06	2006	2005	% Change
Revenue days	(days)	1,680	3,370	5,050	720	+602%
TCE earnings	(US\$/day)	14,150	17,420	16,330	8,460	+93%
Owned + chartered cost	(US\$/day)	15,920	17,760	17,150	8,400	+104%
Contribution	(US\$m)	(3.0)	(1.1)	(4.1)	0	

2H06 revenue days twice 1H

2006 loss related to
1H FFA positions locked in



Daily Vessel Costs - Handysize



Balance Sheet

US\$m	31 Dec 06	31 Dec 05
Net book value of fixed assets ¹	741.0	504.3
Gross borrowings	350.5	316.9
Cash	63.2	83.7
Net borrowings	287.3	233.2
Shareholder's equity	485.0	309.3
Net borrowings / Fixed assets	38.0%	45.0%
Net borrowings / Shareholder's equity	59.0%	75.0%

Note 1

39 Delivered vessels:
NBV = US\$683.5m, average US\$17.5m
Insured value = US\$1.17bn (31 Dec 06)

Insured values of all
vessels with ownership
interest US\$1.9bn

Capital commitments
31Dec06: US\$251.7m



Cashflow

US\$m

Operating cash inflows

Investing cash (out)/inflows

- Payments for property, plant and equipment
- Sales of vessels
- Others

Financing cash in/(out) flows

- Net proceeds from share placement (Nov '06)
- Net drawdown / (repayment) of borrowings
- Sale proceeds under finance leases
- Payment of interest and other finance charges
- Dividend paid
- Others

Cash at 31 December

	2006	2005
Operating cash inflows	148.2	173.3
Investing cash (out)/inflows	(241.1)	24.7
- Payments for property, plant and equipment	(286.2)	(121.2)
- Sales of vessels	39.9	139.5
- Others	5.2	6.4
Financing cash in/(out) flows	74.1	(157.5)
- Net proceeds from share placement (Nov '06)	154.3	-
- Net drawdown / (repayment) of borrowings	33.6	(372.9)
- Sale proceeds under finance leases	-	318.0
- Payment of interest and other finance charges	(25.4)	(17.0)
- Dividend paid	(91.6)	(88.5)
- Others	3.2	2.9
Cash at 31 December	63.2	82.1



Dividends

High payout – continue to payout at least 50% of annual attributable profits in 2007

Actual payout ratio has consistently exceeded the stated policy

Year	Dividend	US\$m	HK¢ per share	Payout Ratio
2006	Interim (paid 7Sep06)	33.4	20.0	
	Proposed final (ex-div 29Mar07)	45.1	22.5	
	<u>Total for year</u>	<u>78.5</u>	<u>42.5</u>	71%
2005	<u>Total for year</u>	<u>107.6</u>	<u>65.0</u>	73%



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.

