Pacific Basin

Q308 Trading Update

As at 30 October 2008
What is Pacific Basin?

- Leading dry bulk shipping company principally operating in the Asia Pacific region
- 30 offices worldwide, 500+ group staff, 2,200+ seafarers *
- We carry the dry bulk commodities required for Asia’s growth
- Diversifying in the roll on roll off shipping, ports and port services businesses

Network of PB Key Offices

* As at Oct 2008
The dry bulk freight market has been greatly weakened by a combination of:
- slower growth of industrial production in China;
- stalling trade volumes caused by tighter credit conditions globally; and
- an increasing economic slowdown in the world’s developed economies.

Rates for both spot and forward business have experienced an unprecedented fall over the last quarter.

Dry bulk demand has been directly affected by many banks’ difficulties in providing routine trade finance to commodity companies selling their products in the spot market. This is quite extraordinary.

A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.

We are continuing to secure our cover for handysize and handymax revenue days.

<table>
<thead>
<tr>
<th>Year</th>
<th>Cover</th>
<th>US$/day *</th>
<th>Cover</th>
<th>US$/day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>93%</td>
<td>31,340</td>
<td>101%</td>
<td>45,070</td>
</tr>
<tr>
<td>2009</td>
<td>43%</td>
<td>22,580</td>
<td>107%</td>
<td>33,360</td>
</tr>
</tbody>
</table>

Additional 6% contract cover at about US$18,500/day compared to our last reported figures on 4 August 2008 of 37% at US$24,200/day.

* Exclude any execution premium.
Fleet Profile

Dry Bulk Fleet – 89
Short Term Chartered - 27

Handysize: 68
Handymax: 18
Post Panamax: 3

Chartered
44

Operating Lease
30
Finance Lease
13
Newbuildings
5
Owned 19

Newbuilding 1
Chartered 14
Newbuilding 1
Owned 2

Newbuilding 1
Chartered 15
Owned 3

Newbuilding 1
Chartered 1
Owned 2

Newbuilding 6
Newbuildings 5

Other Ships - 34
RoRo: 6
Tugs: 21

Barge: 7

Includes 12 chartered-in vessels with purchase options

1 The Group has a 63.5% interest in 1 owned vessel
2 The Group has a 50% interest in 1 owned newbuilding and 1 chartered newbuilding through its joint venture
3 Two of the RoRo newbuilding vessels will be acquired by the Group upon delivery through exercising the purchase option

Total 150 ships

Owned 24

Newbuildings 16

Newbuildings 2

Includes 12 chartered-in vessels with purchase options

1 The Group has a 63.5% interest in 1 owned vessel
2 The Group has a 50% interest in 1 owned newbuilding and 1 chartered newbuilding through its joint venture
3 Two of the RoRo newbuilding vessels will be acquired by the Group upon delivery through exercising the purchase option
Diversified Cargo

Total Handysize and Handymax Cargo Volume Mix Q1-Q3 2008

- Log & Forest Products: 6%
- Fertilisers: 11%
- Grains: 10%
- Steel & Scrap: 9%
- Alumina: 3%
- Salt: 5%
- Coal/Coke: 7%
- Petcoke: 5%
- Concentrates: 6%
- Cement: 5%
- Cement Clinker: 4%
- Other Bulks*: 14%

24.3 million tonnes

15% increase in cargo volume compare to last year this time

* Other bulks includes Gypsum, Sands, Soda Ash, Agriculture Products & Aggregates
Market Information

The Baltic Dry Index (BDI)

27 Oct 2008
1048

$US /day (net)

Jan-04 Jan-05 Jan-06 Jan-07 Jan-08

The Baltic Handysize Index (BHSI)

27 Oct 2008
US$ 5,830

$US /day (net)

Jun-06 Dec-06 Jun-07 Dec-07 Jun-08

Dry Bulk 1 Year Time-Charter Rate

US$/day (net)

Jan-03 Jul-03 Jan-04 Jul-04 Jan-05 Jul-05 Jan-06 Jul-06 Jan-07 Jul-07 Jan-08 Jul-08

As at 24 Oct 2008

Capesize - $19,000
Panamax - $14,250
Supramax - $13,300
Handysize
1-Year: $10,213
3-Year: $8,550

BHSI officially started on 2 January 07
Sources: The Baltic Exchange, Bloomberg LP, Clarkson
In the current weak market, we expect much lower time charter earnings for 2009 as compared to 2008.

A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.

* Exclude any execution premium
^ Exclude 2 handymax vessels on long term charter
High Tonnage Demand

We estimate tonnage demand growth in 2008 will be lower compared to previous forecast.

In long term, industrialisation of China, India and other countries will support the dry bulk demand for many years.

<table>
<thead>
<tr>
<th>Year</th>
<th>China Coastal Cargo Effect</th>
<th>Congestion Effect</th>
<th>Tonne-mile Effect</th>
<th>International Cargo Volumes</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>10.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>11.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>3.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>6.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>13.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008E</td>
<td>7.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: R.S. Platou 1H2008
Lower Orderbook in Handysize

<table>
<thead>
<tr>
<th>Type of Vessels</th>
<th>Orderbook as % of Existing Fleet (dwt)</th>
<th>Ave. Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry Bulk *</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Capesize 100K +</td>
<td>110%</td>
<td>11.7</td>
</tr>
<tr>
<td>Panamax 60-100K</td>
<td>53%</td>
<td>12.2</td>
</tr>
<tr>
<td>Handymax 35K-60K</td>
<td>61%</td>
<td>15.4</td>
</tr>
<tr>
<td>Handysize 25,000-34,999</td>
<td>47%</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Source: Clarkson 1 Oct 2008
Note: * >10,000 Dwt

Significant orderbook slow down in Q308
Ageing Handysize Fleet

Total handysize 25,000-34,999 dwt fleet as at 1 Oct 2008:
1,292 Vessels (38.0 mil dwt)

Orderbook 25,000-34,999dwt (47%)

- Remaining 2008: 2.6%
- 2009: 15.5%
- 2010: 16.3%
- 2011+: 12.4%

Source: Clarkson
Note: % as of the existing fleet
* 25,000-34,999 Dwt

Slippage in all dry bulk segments
Uncertainty over actual deliveries in 2009/2010
More than 35% older than 25 years

20% ≥ 30+Years
35% ≥ 25+Years
56% > 15+Years

0-15 yrs 44%
16-24 yrs 21%
25-29 yrs 15%
30 yrs or above 20%
Dry Bulk Carrier Sale & Purchase Market

Market turbulence affect the second hand vessel prices.

No modern handysize vessels have been sold since August.

Clarkson has stopped publishing handysize (indeed any dry bulk carrier) vessel values.

2nd-hand 5 years old handysize vessel price (25K-30K dwt)

Source: Clarkson, 3 Oct 08

3 Oct 08: US$ 44 mil
# Business Development

| Roll on Roll off (RoRo) | 6 newbuildings will deliver in 2009 to 2011 including 2 purchase options  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Good demand prospects, high average fleet age and low orderbook</td>
</tr>
<tr>
<td>Fujairah Bulk Shipping</td>
<td>Strategy to be the market leader in sourcing and transporting aggregate in the Gulf region</td>
</tr>
<tr>
<td></td>
<td>In 1H08, US$1.4m profit recorded (PB share)</td>
</tr>
<tr>
<td>Ports and Port Services</td>
<td>APMIG - Nanjing Longtan Tianyu Terminal (45% holding JV)</td>
</tr>
<tr>
<td></td>
<td>February 2008 formal operations commenced, handled over 0.6mil tonnes of cargo, mainly cement, fertilisers and chemicals</td>
</tr>
<tr>
<td>PB Towage</td>
<td>Operates modern tugs in Brisbane, Sydney, Melbourne, W.Aus and the Arabian Gulf</td>
</tr>
<tr>
<td></td>
<td>Acquisition of Sea-Tow in New Zealand</td>
</tr>
<tr>
<td>Maritime Management</td>
<td>New division established – PB Maritime Services / PB Tankers</td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
</tbody>
</table>
Outlook

- We are continuing to secure our earning coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Handysize</th>
<th>Handymax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cover</td>
<td>US$/day *</td>
</tr>
<tr>
<td>2008</td>
<td>93%</td>
<td>31,340</td>
</tr>
<tr>
<td>2009</td>
<td>43%</td>
<td>22,580</td>
</tr>
</tbody>
</table>

* Exclude any execution premium

- As at 30 June 2008, we had US$192mil net cash, gross cash was US$804mil with an additional US$292mil of unutilised committed bank borrowings. We have total assets of US$2.1bil and shareholders’ equity of US$1.3bil

- In the current weak market, we expect much lower time charter earnings for 2009 as compared to 2008

- A volatile and extraordinarily challenging dry bulk market is anticipated to continue through Q4 2008 and beyond. It is difficult to predict when the market will improve.
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.
## Appendix –
### 2008 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TCE Earnings (US$m)</strong></td>
<td>586.4</td>
<td>269.2</td>
</tr>
<tr>
<td><strong>Reported net profit</strong></td>
<td>337.6</td>
<td>162.9</td>
</tr>
<tr>
<td><strong>Less: Vessel disposal gains</strong></td>
<td>-38.6</td>
<td>-50.2</td>
</tr>
<tr>
<td><strong>Net profit before disposal gains</strong></td>
<td>299.0</td>
<td>112.7</td>
</tr>
<tr>
<td><strong>Basic EPS (HK¢)</strong></td>
<td>162</td>
<td>81</td>
</tr>
<tr>
<td><strong>Return on average shareholders’ equity</strong></td>
<td>68%</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Interim dividends (HK¢ per share)</strong></td>
<td>76.0</td>
<td>45.0</td>
</tr>
<tr>
<td><strong>Payout ratio</strong></td>
<td>50%</td>
<td>55%</td>
</tr>
</tbody>
</table>
### Appendix - Results – Handysize Freight & Charter-hire

<table>
<thead>
<tr>
<th>Drivers of the results</th>
<th>1H08</th>
<th>1H07</th>
<th>% Change</th>
<th>FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days (days)</td>
<td>11,540</td>
<td>9,590</td>
<td>+20%</td>
<td>20,100</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>32,460</td>
<td>19,750</td>
<td>+64%</td>
<td>23,200</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>12,840</td>
<td>9,370</td>
<td>+37%</td>
<td>10,240</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>226.4</td>
<td>99.5</td>
<td>+128%</td>
<td>260.5</td>
</tr>
</tbody>
</table>

- More chartered in vessels increased revenue days
- 1H08 TCE rates reflect demand strength
- Blended cost reflects more chartered in vessels
## Appendix - Results – Handymax Freight & Charter-hire

### Drivers of the results

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
<th>% Change</th>
<th>FY07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days (days)</td>
<td>2,900</td>
<td>2,260</td>
<td>+28%</td>
<td>4,870</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>46,100</td>
<td>25,180</td>
<td>+83%</td>
<td>30,040</td>
</tr>
<tr>
<td>Owned + chartered cost (US$/day)</td>
<td>32,940</td>
<td>20,580</td>
<td>+60%</td>
<td>23,050</td>
</tr>
<tr>
<td>Contribution (US$m)</td>
<td>38.2</td>
<td>10.0</td>
<td>+282%</td>
<td>34.0</td>
</tr>
</tbody>
</table>

More chartered in vessels
Increased revenue days

1H08 TCE rates reflect use of short term chartered in vessels
Appendix – Daily Vessel Costs - Handysize

As at 1H08

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Chartered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$/day</td>
<td>US$/day</td>
</tr>
<tr>
<td></td>
<td>FY07</td>
<td>1H08</td>
</tr>
<tr>
<td>Vessel Days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12,560</td>
<td>5,710</td>
</tr>
<tr>
<td></td>
<td>62%</td>
<td>49%</td>
</tr>
</tbody>
</table>


Contracted Charter-hire
2008: US$15,650
2009: US$15,100

2009 chartered days about 46%
## Appendix – Impact of Financial instruments

<table>
<thead>
<tr>
<th>Net Gains / (Losses)</th>
<th>Realised</th>
<th>Unrealised</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate swap contracts</td>
<td>(0.2)</td>
<td>(0.4)</td>
<td>(0.6)</td>
<td>1.2</td>
</tr>
<tr>
<td>Bunker swap contracts</td>
<td>10.0</td>
<td>44.9</td>
<td>54.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Forward freight agreements</td>
<td>(10.4)</td>
<td>(1.3)</td>
<td>(11.7)</td>
<td>(21.4)</td>
</tr>
<tr>
<td></td>
<td>(0.6)</td>
<td>43.2</td>
<td>42.6</td>
<td>(14.4)</td>
</tr>
</tbody>
</table>

- **Completed in period & cash settled**
- **i) Contracts to be settled in future period**
- **ii) Accounting reversal of earlier period contracts now completed**
# Appendix – Balance Sheet

<table>
<thead>
<tr>
<th>US$mil</th>
<th>30 Jun 08</th>
<th>31 Dec 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net book value of fixed assets</td>
<td>898.6</td>
<td>755.9</td>
</tr>
<tr>
<td>Gross borrowings</td>
<td>612.3</td>
<td>660.2</td>
</tr>
<tr>
<td>Cash</td>
<td>804.3</td>
<td>649.5</td>
</tr>
<tr>
<td>Net cash / (borrowings)</td>
<td>192.0</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Shareholder's equity</td>
<td>1,333.2</td>
<td>867.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage</th>
<th>30 Jun 08</th>
<th>31 Dec 07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash (borrowings) / Fixed assets</td>
<td>21.1%</td>
<td>(1.4)%</td>
</tr>
<tr>
<td>Net cash (borrowings) / Shareholder's equity</td>
<td>14.4%</td>
<td>(1.2)%</td>
</tr>
</tbody>
</table>

**Note 1**
- 35 delivered dry bulk, NBV = US$667m
- Avg NBV: HS: US$18.6m, HM: US$23.9m
- Avg insurable value: HS: US$50.8m, HM: US$67.7m

**Insurable values of vessels with Ownership interest US$3.7bn**
- 56 Dry bulk = 3.0bn
- 6 RoRos = 0.6bn
- 20 Tugs & barges = 0.1bn
Appendix – Capex and Combined Value by Vessel Types

As at 4 Aug 08

Vessels Commitments

<table>
<thead>
<tr>
<th>Vessel Type</th>
<th>2H 2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tug &amp; Barge</td>
<td>163</td>
<td>196</td>
<td>312</td>
<td>50</td>
</tr>
<tr>
<td>RoRo</td>
<td>23</td>
<td>18</td>
<td>283</td>
<td>28</td>
</tr>
<tr>
<td>Post Panamax</td>
<td>44</td>
<td>49</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Handymax</td>
<td>68</td>
<td>129</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Handysize</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unpaid Contract Amount US$721mil
Progress Payment Made US$188mil
Vessels Carrying Values US$707mil

Further commitments expected in these areas

Funded from existing cash + new debt

As at 4 Aug 08

Based on our cash and credit facilities at the present time, the capex are fully covered

Total US$721 mil

Total US$1,616 mil

Dry Bulk
RoRo
Towage

Unpaid Contract Amount US$721mil
Progress Payment Made US$188mil
Vessels Carrying Values US$707mil
Appendix – Roll On Roll Off (RoRo)

- 6 newbuildings (3,600-3,800 lane metre) will deliver in 2009 to 2011 including 2 purchase options
- Used for transportation of wheeled cargoes (mostly trucks) which are loaded over a ramp
- Proven design, suitable for the common short sea trades

1,300-2,700LM, 1-Year Moving Average Time Charter Rates (Euro)

Source: Maersk Broker June 2008
Appendix – Attractive RoRo Sector

- Attractive fundamentals
  - Immediate “short-sea” trade demand is in Asia Minor & Europe, with Pacific Basin also well positioned to lead the way in the Asian RoRo sector
  - Low orderbook (<20%)
  - 42% of vessels aged 25 years or over

![Age Profile RoRo Fleet](image)

*488 Vessel (897,774 Lane Meter) as at Jun08*

- 21% ≥ 30 Years +
- 42% > 25 Years +
- 61% > 15 Years +

![RoRo Orderbook](image)

*(56 Vessels or 178,129 Lane Meter)*

- Orderbook: 19.8%

*Source: Maersk Broker*

*Note: % as of the existing fleet in Lane Meter*
Appendix –
Ports and Port Services

Ports Infrastructure Unit

- APMIG - Nanjing Longtan Tianyu Terminal (JV: 45% equity)
  - February 2008, formal operations commenced and in 1H08 handled over 0.6mil tonnes of cargo, mainly cement, fertilisers and chemicals
  - Further projects identified in the Yangtze Delta and Bohai Bay
- Asia Pacific-Middle East region: Evaluating port developments
- Gold River wharf, Canada: Taken 33% share in the ownership and operating rights

PB Towage

- Harbour work for major shipping lines and oil services activities concentrated in Australia
- A growing fleet of modern, high quality tugs and barges to service shipping lines, and the energy and construction sectors
- Acquisition of Sea – Tow in New Zealand brought us additional tug and barge vessels
Appendix – FBSL & Maritime Services

**Fujairah Bulk Shipping**

- JV in Middle East for supplying rock and aggregates using tugs, barges and handysize ships from Fujairah to Qatar and Kuwait
- 50:50 joint venture between Pacific Basin and the Government of Fujairah
- Strong performance and further expansion of its operations in 2008

**Maritime Management Services**

**PB Maritime Services / PB Tankers / PacMarine**

- Third party ship management and associated marine management services
- The managed fleet encompasses a broad range of vessel types, size and complexity such as RoRo, RoPax and Tankers
Appendix – Daily Vessel Costs – Handymax

As at 1H08

<table>
<thead>
<tr>
<th>Vessel Days</th>
<th>FY07</th>
<th>1H08</th>
<th>FY07</th>
<th>1H08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>730</td>
<td>360</td>
<td>4,140</td>
<td>2,570</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>12%</td>
<td>85%</td>
<td>88%</td>
</tr>
</tbody>
</table>


Finance cost
Depreciation
Opex
Direct Overhead
Charter-hire

Finance cost
Depreciation
Opex
Direct Overhead
Charter-hire