



Pacific Basin Shipping Limited

太平洋航運集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

BOARD CHANGES

The Board of the Company announces that Mr. Mark Malcolm Harris has given notice that he will resign as the executive director and Chief Executive Officer of the Company with effect from the conclusion of the 2006 Annual General Meeting scheduled for 7 April 2006.

Mr. Richard Maurice Hext, currently Deputy Chairman of the Company, will also assume the position of Chief Executive Officer of the Company upon Mr. Harris's resignation.

The board of directors (the "Board") of Pacific Basin Shipping Limited (the "Company") announces the following Board changes:

RESIGNATION OF MR. MARK HARRIS

Mr. Mark Malcolm Harris has given notice that he will resign as the executive director and Chief Executive Officer of the Company with effect from the conclusion of the 2006 Annual General Meeting scheduled for 7 April 2006.

Mr. Harris has taken this decision confident that the Company is well positioned for the next phase of its development and that, at the time of his resignation, management continuity will be assured as Mr. Richard Hext will have been an executive director of the Company for almost a year. Mr. Harris further confirms that there is no disagreement with the Board and there are no matters with respect to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Harris for his valuable contribution and efforts to the Company over the years and wish him well in the future.

REDESIGNATION OF MR. RICHARD HEXT

Mr. Richard Maurice Hext, currently Deputy Chairman of the Company, will also assume the position of Chief Executive Officer of the Company upon Mr. Harris ceasing to be a director.

As Mr. Hext's further appointment is considered a change in the Company's directorate under the Listing Rules, information regarding Mr. Hext and other information prescribed under Rule 13.51 of the Listing Rules are set out at the end of this announcement. No changes to his service agreement are proposed in relation to his further appointment as the Chief Executive Officer of the Company.

By Order of the Board
Andrew T. Broomhead
Company Secretary

Hong Kong, 25 January 2006

* For identification purposes only

As at the date of this announcement, the executive directors of the Company are Christopher Richard Buttery, Richard Maurice Hext, Mark Malcolm Harris and Paul Charles Over, the non-executive directors of the Company are Lee Kwok Yin, Simon, and Brian Paul Friedman, and the independent non-executive directors of the Company are Robert Charles Nicholson, Patrick Blackwell Paul and The Earl of Cromer.

Notes:

Particulars of Mr. Richard Hext and other information prescribed under Rule 13.51 of the Listing Rules are as follows:

Mr. Hext, aged 48, joined the Company on 5 April 2005 as the Deputy Chairman and an executive director of the Company, with responsibility for the Group's commercial and operating activities. Mr. Hext graduated from Worcester College, Oxford University in 1978 with a Master of Arts degree in Modern History and Economics and has since attended executive programmes at INSEAD, Oxford University and Stanford University.

Mr. Hext had previously served as Chief Executive Officer of the Marine Services Division of V. Ships Group, which is the world's largest ship management group, managing a vessel portfolio of over 700 ships with a value of over US\$2 billion. From late 2000 to early 2003, Mr. Hext was Chief Executive Officer of LevelSeas Limited, a B2B internet start-up owned by a group of shareholders including Cargill, BP, Shell, Rio Tinto and BHP Billiton whose purpose was to help take online the seaborne freight dealings of its shareholders and their counterparties.

Mr. Hext served with John Swire & Sons Limited from 1978 to 2000, during which time he held senior management positions with a number of Swire subsidiaries and joint ventures including P&O Swire Containers in Sydney, Swire Pacific Offshore in the Middle East and The China Navigation Company Limited in Hong Kong where he was Managing Director from 1996. The China Navigation Company is Swire's major privately owned deep sea ship owning and operating business which in 2000 owned or operated over 45 vessels in its trades and associates and had a managed turnover of over \$500 million.

From early 2000, he was a director of John Swire & Sons (HK) Limited, an unlisted company which controls a number of Hong Kong companies, including Hong Kong-listed Swire Pacific Limited (market capitalization now around US\$14 billion). Mr. Hext has also served on the boards of Modern Terminals Limited, Hong Kong Salvage and Towage and Hong Kong United Dockyards.

Upon the original appointment of Mr. Hext as an executive director and Deputy Chairman, he entered into a service agreement with the Company commencing on 5 April 2005 under which he will hold office for a period of three years (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company). Mr. Hext will receive from the Company an emolument at the rate of £250,000 per annum, which is inclusive of salary and retirement scheme contribution. He is also eligible to receive a bonus of up to 50% of his emolument (the "Target Bonus") with effect from the commencement date of his employment. For the first two years of Mr. Hext's employment, a bonus of £125,000 per annum will be paid to him. Thereafter, the Target Bonus will be calculated based on a combination of the Company's earnings for each fiscal year and the discretion of the Remuneration Committee.

In addition, on 5 April 2005, 5,000,000 share options were granted to Mr. Hext pursuant and subject to the Company's Long Term Incentive Scheme and in compliance with the Listing Rules. These options will vest and be exercisable at the rate of one (1) million share options for each completed year of service over a period of five years. On 16 June 2005, 3,333,333 shares in the form of restricted share awards were granted to Mr. Hext pursuant to the Long Term Incentive Scheme of the Company. These restricted share awards will vest in equal tranches for each completed year of service over a period of five years.

Such emoluments have been agreed between the Company and Mr. Hext and were determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as disclosed above, Mr. Hext does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Hext also does not have any relationship with any directors or senior management of the Company. There are currently no substantial shareholders or controlling shareholders of the Company.

The Board and Mr. Hext are not aware of any other matters that need to be brought to the attention of shareholders of the Company in relation to his further appointment as the Chief Executive Officer of the Company.