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Pacific Basin Shipping Limited

太平洋航運集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

ANNOUNCEMENT: CLARIFICATION OF PRESS ARTICLE

This announcement is made pursuant to Rule 13.09 of the Listing Rules and in response to an article in the South China Morning Post on 13 June 2006 alleging that the management of the Company is in sell-off talks.

The Company wishes to clarify that it is not in talks to sell the Company and that members of senior management who hold shares in the Company are not in talks to sell their shares.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:50 a.m. on 13 June 2006 pending the publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 14 June 2006.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is published by Pacific Basin Shipping Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and is made in response to an article in the South China Morning Post on 13 June 2006 alleging that the management of the Company is in sell-off talks.

The Company wishes to clarify that it is not in talks to sell the Company and that members of senior management who hold shares in the Company are not in talks to sell their shares.

Whilst it is the Company's policy not to comment on rumours or speculation, in this circumstance the Board believes that it is appropriate to make the clarification above in order to avoid the creation of a false market in the Company's securities.

Whilst from time to time the Company has received approaches from interested parties, the Board's response has been that the Company is not for sale but that if there is a compelling offer for shareholders then, as a responsible listed company, the Company is obliged to listen. No such offer has been received and the Company and members of its senior management who hold shares in the Company are not in discussion with anyone which is likely to lead to such an offer.

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By Order of the Board
Andrew Broomhead
Company Secretary

Hong Kong, 13 June 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 and Paul Charles Over, the non-executive directors of the Company are Daniel Rochfort Bradshaw and Lee Kwok Yin, Simon, and the independent non-executive directors of the Company are Robert Charles Nicholson, Patrick Blackwell Paul, The Earl of Cromer and David Muir Turnbull.

Please also refer to the published version of this announcement in South China Morning Post.