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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)

www.pacbasin.com

FURTHER ANNOUNCEMENT: POSTPONEMENT OF COMPLETION OF DISCLOSEABLE TRANSACTION

Further to the announcement and the circular of the Company dated respectively 31 August 2005 and 20 September 2005 in relation to various discloseable transactions, including the sale and time charter back of Cape Jaffa, the Company announces that it has entered into an addendum to the Third MOA with Monarch Maritime S.A. dated 14 October 2005 to postpone the completion and delivery of Cape Jaffa to a date no later than 30 November 2005, instead of 31 October 2005 as originally stated in the Announcement. The Company currently expects that the completion and delivery of Cape Jaffa will take place around mid-November 2005, whereupon the time charter back of the vessel into the Company's chartered fleet shall commence. All other terms and conditions of the Third MOA and the time charterparty agreement in respect of Cape Jaffa remain unchanged.

Reference is made to the announcement of the Company dated 31 August 2005 (the "Announcement") in respect of various discloseable transactions, including the sale and time charter back of Cape Jaffa. Terms used herein have the same meanings as those defined in the Announcement unless otherwise stated.

THE CAPE JAFFA DISPOSAL AND THE THIRD MOA

On 24 August 2005, Labrador Shipping (BVI) Limited, a wholly-owned subsidiary of the Company (the "Third Seller"), entered into the Third MOA with Monarch Maritime S.A. (the "Third Purchaser") for the sale of Cape Jaffa by the Third Seller. Pursuant to the Third MOA, the latest date for completion was 31 October 2005 unless the parties otherwise agreed. At the time of the Announcement, it was expected that the completion and delivery of Cape Jaffa would take place during the second half of October 2005.

THE ADDENDUM TO THE THIRD MOA

By way of an addendum to the Third MOA signed on 14 October 2005, the Third Seller and the Third Purchaser have mutually agreed to postpone the completion and delivery of Cape Jaffa to a date no later than 30 November 2005. The time charter back of Cape Jaffa into the Company's chartered fleet, which will commence from the delivery of Cape Jaffa, will be postponed accordingly. All other terms and conditions of the Third MOA and the time charterparty agreement with the Third Purchaser remain unchanged.

The reason for postponing completion and delivery of Cape Jaffa is to allow the Company to perform a contract cargo from Australia to China and Korea pursuant to contracts of affreightment entered into by the Group in June and October 2004. The deployment of Cape Jaffa to perform this contract cargo is the most cost efficient way for the Company to utilise its fleet. After completion of this voyage, which is expected to be around mid-November 2005, Cape Jaffa will be ready for delivery to the Third Purchaser.

The Company believes that the delay in completion will not have a material impact on the financial position or operations of the Company.

The Company currently expects that the completion and delivery of Cape Jaffa will take place around mid-November 2005. The Company will make a further announcement if completion does not take place by 30 November 2005.

By Order of the Board
Andrew T. Broomhead
Company Secretary

Hong Kong, 14 October 2005

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.

* For identification purposes only