

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

In connection with the Global Offering, Goldman Sachs (Asia) L.L.C. (the “Global Coordinator”), on behalf of the Underwriters, may over-allot or effect any other transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail on the market for a limited period following the commencement of trading in the Shares on the Stock Exchange. Any market purchases of Shares will be effected in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). However, there is no obligation on the Global Coordinator or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Global Coordinator and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end after a limited period.

Unless otherwise defined herein, terms defined in the prospectus dated Wednesday, 30 June 2004 (the “Prospectus”) issued by Pacific Basin Shipping Limited (the “Company”) shall have the same meanings when used in this announcement.



Pacific Basin Shipping Limited

太平洋航運集團有限公司*

(a company incorporated in Bermuda with limited liability)

Stock Code: 2343

EXERCISE OF OVER-ALLOTMENT OPTION

** For identification purposes only*

Following the partial exercise of the Over-allotment Option by the Global Coordinator, on behalf of the International Underwriters, the aggregate maximum number of additional Shares which the Selling Shareholders may be required to sell under the terms of the Over-allotment Option will be reduced from 63,000,000 Shares to 59,941,000 Shares. The Over-allotment Option with respect to such Shares is exercisable by the Global Coordinator on or before 6 August 2004. However, the Global Coordinator will not exercise the Over-allotment Option with respect to the remaining Shares, as over-allocations in the International Placing have been covered in full by the exercise of the Over-allotment Option described above.

The net proceeds of approximately HK\$7.33 million from the sale of the Over-allotment Shares by the Selling Shareholders will be for the account of the Selling Shareholders only.

Immediately after the sale of the Over-allotment Shares, the total number of Shares in issue will remain at 1,267,010,609 Shares, of which an aggregate of 440,059,000 Shares will be held by public shareholders, representing approximately 34.73% of the total number of Shares in issue.

By Order of the Board
Andrew T. Broomhead
Company Secretary

Hong Kong, 6 August 2004

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

Please also refer to the published version of this announcement in the South China Morning Post (English) and Hong Kong Economic Times (Chinese).