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**PB ISSUER (NO. 2) LIMITED (the “Issuer”)**  
*(incorporated in the British Virgin Islands with limited liability)*

**US\$230,000,000**  
**1.75% Guaranteed Convertible Bonds due 2016**  
**(the “Bonds”)**  
**(Stock Code: 4319)**  
**convertible into ordinary shares of, and**  
**unconditionally and irrevocably guaranteed by**



**PACIFIC BASIN SHIPPING LIMITED (the “Guarantor”)**  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 2343)**

#### **ADJUSTMENT TO CONVERSION PRICE**

The Issuer and the Guarantor jointly announce that the Conversion Price will be adjusted from HK\$7.79 per Share to HK\$7.44 per Share with effect from 13 April 2011, subject to the approval of the payment of the 2010 Final Dividend by the Shareholders at the forthcoming annual general meeting of the Guarantor to be held on 19 April 2011.

Reference is made to the announcements of the Guarantor dated 4 March 2010, 8 April 2010 and 16 April 2010. Unless otherwise defined here, terms used in this announcement shall have the meaning given to such terms in the Guarantor’s announcement dated 4 March 2010.

The Issuer and the Guarantor jointly announce that the Conversion Price will be adjusted from HK\$7.79 per Share to HK\$7.44 per Share with effect from 13 April 2011, subject to the condition stated below. Such adjustment is the result of (i) the proposed final dividend of HK\$0.165 per Share for the year ended 31 December 2010 (the “**2010 Final Dividend**”) to be paid on 29 April 2011; and (ii) the interim dividend of HK\$0.05 per Share for the year ended 31 December 2010 (the “**2010 Interim Dividend**”) paid on 27 August 2010. Pursuant to the terms and conditions of the Bonds, no adjustment was made to the Conversion Price after the 2010 Interim Dividend was declared as such adjustment was less than 1% of the then applicable Conversion Price and therefore such amount has been carried forward and taken into account in computing the adjustment described in this announcement.

The adjustment of the Conversion Price will be conditional upon the approval of the payment of the 2010 Final Dividend by the Shareholders at the forthcoming annual general meeting of the Guarantor to be held on 19 April 2011, and once approved the adjustment shall become effective from 13 April 2011, being the first date on which the Shares are traded ex-dividend for the determination of Shareholders entitled to receive the 2010 Final Dividend. The Issuer and the Guarantor shall notify the Bondholders if and when the 2010 Final Dividend is not approved as aforementioned.

The above adjustment in relation to the Conversion Price has been computed in accordance with the terms and conditions of the Bonds. Apart from the above adjustment, all the other terms of the Bonds remain unchanged.

This announcement also serves as a notification to the Bondholders in respect of the change in the Conversion Price as per the terms and conditions of the Bonds.

By order of the Board of  
**Pacific Basin Shipping Limited**  
**Andrew T. Broomhead**  
*Director and Company Secretary*

Hong Kong, 13 April 2011

*As at the date of this announcement, the directors of the Issuer are Klaus Nyborg, Andrew Thomas Broomhead, Sainath Venkatrao and Mok Kit Ting Kitty.*

*As at the date of this announcement, the executive Directors of the Guarantor are David Muir Turnbull, Klaus Nyborg, Jan Rindbo, Andrew Thomas Broomhead and Wang Chunlin, the non-executive Director of the Guarantor is Richard Maurice Hext, and the independent non-executive Directors of the Guarantor are Robert Charles Nicholson, Patrick Blackwell Paul, Alasdair George Morrison and Daniel Rochfort Bradshaw.*