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APPOINTMENT OF EXECUTIVE DIRECTOR

The Board of the Company is pleased to announce that Mr. Chanakya Kocherla, currently the Group Managing Director of the Company's PB Towage division, has been appointed as an Executive Director of the Company with effect from 25 June 2012.

The Board of Directors (the "**Board**") of Pacific Basin Shipping Limited ("**Pacific Basin**" or the "**Company**") is pleased to announce that the appointment of Mr. Chanakya Kocherla, currently the Group Managing Director of the Company's PB Towage division, as an Executive Director of the Company with effect from 25 June 2012, when he shall also become a member of the Company's Executive Committee.

Mr. Kocherla, aged 55, graduated from the Directorate of Marine Engineering Training, India in 1978. He joined Pacific Basin in December 2000 as part of the Company's acquisition of Jardine Ship Management and, since 2010, has been the Group Managing Director of the Company's PB Towage division. Mr. Kocherla previously was Managing Director of PB Maritime Services and Director, Fleet, responsible for operations of Pacific Basin's owned and technically managed fleet (including technical operations, manning and training, quality, health, safety and the environment, and newbuildings). He has also served as a director of several wholly owned subsidiaries and jointly owned entities of the Company. Mr. Kocherla has 34 years experience in the shipping industry, including 14 years at sea and has experience with several ship types both at sea and ashore.

Mr. Kocherla has entered into a variation letter to his current employment agreement, under which he shall be appointed as an Executive Director of the Company 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) commencing from 25 June 2012.

There is no change to Mr. Kocherla's remuneration arising from his appointment as an Executive Director of the Company. Mr. Kocherla will receive from the Company (i) a salary of AUD449,760 per annum which is payable in arrears in monthly installments at the rate of AUD37,480 per month; (ii) an annual bonus which will be paid at the discretion of the Board; and (iii) company car benefit (together the "**Emoluments**"). Since Mr. Kocherla will continue to be based in Australia after the appointment, the Emoluments will not be received by him from outside of Australia and therefore will be taxable in Australia only. In addition, an aggregate of 1,028,000 shares in the Company in the form of restricted share awards have

previously been granted to Mr. Kocherla pursuant to the Company's Long Term Incentive Scheme (the "LTIS") since 11 May 2007, of which (i) 394,000 shares have vested; (ii) 194,000 shares will vest on 14 July 2012; (iii) 183,000 shares will vest on 14 July 2013; and (iv) 257,000 shares will vest on 14 July 2014 respectively. In May 2012, the Company approved a further grant to Mr. Kocherla of 428,000 shares in the Company in the form of restricted share awards pursuant to the LTIS. Mr. Kocherla's emolument was agreed between the Company and Mr. Kocherla and was 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. Kocherla does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries, and has not held any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As of the date of this announcement, Mr. Kocherla has a beneficial interest in 1,978,667 shares in the Company (which include (i) a holding of 916,667 shares; (ii) an aggregate of 634,000 shares granted pursuant to the LTIS that will vest on 14 July 2012, 14 July 2013 and 14 July 2014 respectively; and (iii) 428,000 shares to be granted pursuant to the LTIS). Other than that, Mr. Kocherla does not have any interests in the shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Kocherla has indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board and Mr. Kocherla are not aware of any other matters that need to be brought to the attention of holders of securities of the Company in relation to his appointment as an Executive Director of the Company.

The Board would like to welcome Mr. Kocherla in joining the Board and believes that his extensive experience in the shipping industry will be beneficial to the Company's business and development.

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

Hong Kong, 25 June 2012

As at the date of this announcement, the executive Directors of the Company are David Muir Turnbull, Mats Henrik Berglund, Jan Rindbo, Andrew Thomas Broomhead, Wang Chunlin and Chanakya Kocherla, and the independent non-executive Directors of the Company are Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison and Daniel Rochfort Bradshaw.