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B Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

DISCLOSEABLE TRANSACTION

DISPOSAL OF SHARES IN A LISTED COMPANY

On 4 April 2011, the Company sold its entire remaining holding of 6,415,676 shares in Green Dragon Gas at a price of US\$12.75 (approximately HK\$99.45) per share, generating expected gross sale proceeds of US\$81.8 million (approximately HK\$638.0 million) and a net gain of US\$55.8 million (approximately HK\$435.2 million).

Background

On 31 January 2008, PB Commerce Limited (“**PB Commerce**”), a wholly-owned subsidiary of the Company, invested in Green Dragon Gas Limited (“**Green Dragon Gas**” or “**GDG**”), a company involved in the exploration, development and production of coal bed methane gas in China and listed on AIM, by way of an acquisition of a number of unlisted convertible bonds issued by GDG, which are convertible into GDG Shares (the “**GDG Bonds**”).

As a result of the exercise of the conversion right of the GDG Bonds at US\$5.56 (approximately HK\$43.37) per GDG Share on 2 July 2008 and the subsequent on-market purchases of additional GDG Shares by PB Commerce in the same month, the Company held 8,654,676 GDG Shares. Such investment in the GDG Bonds and the acquisition of additional GDG Shares by the Company thereafter did not (either individually or in aggregate) constitute a discloseable transaction under the Listing Rules.

On 14 December 2010 and 4 April 2011, having received unsolicited bids for its GDG Shares, the Company sold GDG Shares by way of two respective over-the-counter trades. As these disposals, on an aggregated basis, constitute discloseable transactions of the Company under the Listing Rules, their details are required to be disclosed by way of this announcement in accordance with the Listing Rules.

The 2010 Disposal

On 14 December 2010 (and after the Hong Kong market was closed), the Company executed an order with its Broker to sell 2,239,000 GDG Shares on AIM to the 2010 Purchasers at a price of US\$11.68 (approximately HK\$91.10) per GDG Share by way of an over-the-counter trade (the “**2010 Disposal**”). The trade was settled and all cash consideration in respect thereof was received on 17 December 2010. The 2010 Disposal itself did not constitute a discloseable transaction under the Listing Rules. Subsequent to the 2010 Disposal, the Company continued to hold 6,415,676 GDG Shares with an average investment value of US\$11.25 (approximately HK\$87.75) per GDG Share as per the Company’s audited accounts as at 31 December 2010.

For the year ended 31 December 2008, there was a net expense attributable to the 2010 GDG Sale Shares of US\$6.0 million (approximately HK\$46.5 million) resulting from a negative change in the

market price of the GDG Shares at the balance sheet date of 31 December 2008. There was no income or expense attributable to the 2010 GDG Sale Shares for the year ended 31 December 2009.

As at 31 December 2009, the value of the 2010 GDG Sale Shares in the Company's audited accounts was US\$15.0 million (approximately HK\$116.7 million) shown as a non-current asset, and an unrealised fair value gain of US\$5.4 million (approximately HK\$42.4 million) was held in reserves. The 2010 Disposal generated gross sale proceeds (before expenses) of US\$26.2 million (approximately HK\$204.0 million) and a net gain of US\$16.0 million (approximately HK\$124.7 million) (net of expenses) for the year ended 31 December 2010 as reported in the Company's 2010 annual report.

The 2011 Disposal

On 4 April 2011 (and after the Hong Kong market was closed), the Company executed an order with its Broker to sell all of its remaining 6,415,676 GDG Shares (representing 4.83% of the issued share capital of GDG as at the date thereof) on AIM to the 2011 Purchasers at a price of US\$12.75 (approximately HK\$99.45) per GDG Share by way of an over-the-counter trade (the "**2011 Disposal**"). The trade is expected to be settled and all cash consideration in respect thereof will be received on 7 April 2011. Subsequent to the 2011 Disposal, the Company no longer holds any GDG Shares although the Company, through PB Commerce, continues to hold 19,247,028 shares in Greka Drilling Limited ("**Greka Drilling**") (see paragraph titled "Remaining Interest in Greka Drilling" below).

There was no income or expense attributable to the 2011 GDG Sale Shares for the years ended 31 December 2009 and 2010. As at 31 December 2010, the value of the 2011 GDG Sale Shares in the Company's audited accounts was US\$72.2 million (approximately HK\$563.0 million) shown as a non-current asset, and an unrealised fair value gain of US\$44.9 million (approximately HK\$350.3 million) was held in reserves. US\$8.6 million (approximately HK\$67.0 million) and US\$6.1 million (approximately HK\$47.5 million) out of non-current asset and unrealised fair value gain respectively, have been designated as attributable to the Greka Drilling Shares based on its proportion of the aggregate fair value of GDG Shares and Greka Drilling Shares upon the demerger of Greka Drilling (see paragraph titled "Remaining Interest in Greka Drilling" below). The 2011 Disposal is expected to generate gross sale proceeds (before expenses) of US\$81.8 million (approximately HK\$638.0 million) and a net gain of US\$55.8 million (approximately HK\$435.2 million) (net of expenses) for the year ending 31 December 2011.

Remaining Interest in Greka Drilling

On 16 February 2011, GDG announced the proposed demerger of its drilling services business of Greka Drilling. Following the approval by the shareholders of GDG at the Extraordinary General Meeting of GDG on 7 March 2011 and the subsequent admission of the shares in Greka Drilling ("**Greka Drilling Shares**") to trading on AIM on 8 March 2011, 19,247,028 Greka Drilling Shares (representing 4.83% of the issued share capital of Greka Drilling as at the date thereof) were distributed to PB Commerce on the basis of three Greka Drilling Shares for every one GDG Share held by the Company. Accordingly, following the 2011 Disposal, the Company continues to hold 19,247,028 Greka Drilling Shares.

Reasons for the Disposals

The Company is pleased with the performance of Green Dragon Gas and considers GDG and the newly demerged Greka Drilling to have excellent futures and to continue to represent good investments.

Nevertheless, the Company saw a prudent opportunity to realise a part of its non-core investments to generate significant proceeds to be used for general working capital.

The Directors believe that the transactions were negotiated on an arm's length basis through the Broker, with reference to the then and current trading prices of the GDG Shares on AIM, on normal commercial terms, and that the terms are fair, reasonable and in the interests of the Company and the Shareholders as a whole. As Mr. David Muir Turnbull, the Chairman and an Executive Director of the Company, is a non-executive director of each of Green Dragon Gas and Greka Drilling, he abstained from discussion and voting in respect of the Board's decision to proceed with the 2010 Disposal and the 2011 Disposal.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, after taking into account the relationship of Mr. David Muir Turnbull with Green Dragon Gas and Greka Drilling as described above, (i) each of the Broker, the 2010 Purchasers, the 2011 Purchasers and their respective ultimate beneficial owners are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of the Company and its connected persons (as defined in the Listing Rules); and (ii) save for the transactions disclosed in this announcement, the Company has not entered into any transaction with the Broker, the 2010 Purchasers, the 2011 Purchasers, or with parties connected or otherwise associated with one another and there are no other relationships between the Broker, the 2010 Purchasers and 2011 Purchasers or each of their ultimate beneficial owner with whom the Company has entered into any transactions to acquire, dispose of, or subscribe for shares during the 12 months period prior to the respective date of the 2010 Disposal and 2011 Disposal.

Principal Business Activities of the Company

Pacific Basin Shipping Limited is one of the world's leading owners and operators of modern handysize and handymax dry bulk vessels and a global provider of diversified shipping services. The Company is listed and headquartered in Hong Kong, and operates in three main maritime segments under the banners of Pacific Basin Dry Bulk, PB Energy & Infrastructure Services, and PB RoRo. The Company's fleet (including newbuildings on order) comprises 184 vessels directly servicing blue chip international customers. With over 2,100 seafarers and 375 shore-based staff in 22 offices in key locations around the world, Pacific Basin provides a comprehensive quality service to its customers.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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| “2010 GDG Sale Shares” | means the 2,239,000 GDG Shares held by PB Commerce, which were sold by the Company in the 2010 Disposal, through the Broker, to the 2010 Purchasers; |
| “2011 GDG Sale Shares” | means the 6,415,676 GDG Shares held by PB Commerce, which were sold by the Company in the 2011 Disposal, through the Broker, to the 2011 Purchasers; |
| “2010 Purchasers” | means one or more institutional and other sophisticated investor(s) introduced by the Broker as purchaser(s) of the 2010 GDG Sale Shares; |

“2011 Purchasers”	means one or more institutional and other sophisticated investor(s) introduced by the Broker as purchaser(s) of the 2011 GDG Sale Shares;
“AIM”	London Stock Exchange plc’s Alternative Investment Market;
“Board”	means the board of directors of the Company;
“Broker”	means CLSA Limited;
“Company” or “Pacific Basin”	means Pacific Basin Shipping Limited, a limited company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Directors”	means the directors of the Company;
“GDG Shares”	means ordinary voting and listed shares in GDG;
“GDG” or “Green Dragon Gas”	means Green Dragon Gas Limited, a limited company incorporated in Cayman Islands with limited liability, whose shares are listed on AIM;
“Greka Drilling”	means Greka Drilling Limited, a limited company incorporated in Cayman Islands with limited liability, whose shares are listed on AIM;
“Greka Drilling Shares”	means ordinary voting and listed shares in Greka Drilling;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK Dollar” or “HK\$”	means Hong Kong Dollar, the lawful currency of Hong Kong;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholders”	means the shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“US Dollar” or “US\$”	means United States Dollar, the lawful currency of the United States of America.

By Order of the Board

Andrew T. Broomhead

Executive Director and Company Secretary

Hong Kong, 4 April 2011

Note: An exchange rate of US\$1.00 to HK\$7.80 has been used for the conversion of US Dollars into HK Dollars for the purpose of this announcement.

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