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**PB ISSUER LIMITED (the “Issuer”)**  
*(incorporated in the British Virgin Islands with limited liability)*

**US\$390,000,000**  
**3.3% Guaranteed Convertible Bonds due 2013**  
**(the “Bonds”)**  
**(Stock Code: 1606)**  
**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)**

**NOTICE OF COMMENCEMENT OF THE EXERCISE PERIOD  
OF THE PUT OPTION RIGHT**

Pursuant to Condition 8.4 of the terms and conditions of the Bonds, the Bondholders shall have the right to require the Issuer to redeem all or some of their Bonds at 100% of the principal amount thereof, together with accrued but unpaid interest, on 1 February 2011 (the “Put Option Right”).

This announcement serves as a notification to the Bondholders that the exercise period of the Put Option Right shall commence from 3 December 2010 to 31 December 2010 (both days inclusive) (the “Exercise Period”) as per the terms and conditions of the Bonds.

Reference is made to the announcements of the Guarantor dated 3 December 2007, 5 December 2007 and 18 December 2007. Unless otherwise defined here, terms used in this announcement shall have the same meaning given to such terms in the Guarantor’s announcement dated 3 December 2007.

Pursuant to Condition 8.4 of the terms and conditions of the Bonds, the Bondholders shall have the right to require the Issuer to redeem all or some of their Bonds at 100% of the principal amount thereof, together with accrued but unpaid interest, on 1 February 2011.

To exercise the Put Option Right, the holder of the relevant Bond must complete, sign and deposit at the specified office of the paying agent of the Bonds, being Hongkong and Shanghai Banking Corporation Limited (the “Paying Agent”), a duly completed and signed notice together with the certificate evidencing the Bonds to be redeemed on any business day during the Exercise Period.

Bondholders who would like to exercise the Put Option Right should refer to the terms and conditions of the Bonds and consult their stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser as to the necessary action required for exercising the Put Option Right.

This announcement serves as a notification to the Bondholders that the Exercise Period shall commence from 3 December 2010 to 31 December 2010 (both days inclusive) 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, 19 October 2010

*As at the date of this announcement, the Paying Agent is Hongkong and Shanghai Banking Corporation Limited (“HSBC”) at its specified office at Level 30, HSBC Main Building, 1 Queen’s Road Central, Hong Kong, appointed under the Paying and Conversion Agency Agreement dated 20 December 2007 entered into between the Issuer, the Guarantor and HSBC (in its capacity as paying agent, conversion agent, transfer agent, principal agent, registrar and trustee).*

*The Paying Agent has sent a separate notification to the Bondholders through the Euroclear and Clearstream systems and Bondholders should also refer to such notification for details of the Put Option Right.*

*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, Wang Chunlin and Andrew Thomas Broomhead, 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.*