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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)

CANCELLATION OF REPURCHASED CONVERTIBLE BONDS

Reference is made to the announcements of the Guarantor dated 3 December 2007, 5 December 2007 and 18 December 2007, and the joint announcements of the Issuer and the Guarantor dated 16 April 2008 and 27 October 2008. Terms used in this announcement shall have the meaning given to such terms in the Guarantor’s announcement dated 3 December 2007.

With reference to the securities buyback report published on 24 December 2008, the Issuer has repurchased an aggregate of US\$5,800,000 in principal amount of the Bonds on 23 December 2008, representing approximately 1.49% of the aggregate principal amount of the Bonds (the “Repurchased Bonds”).

Upon confirmation in writing made by the Trustee on 29 December 2008, the Issuer confirms that the Repurchased Bonds are duly cancelled with effect from 29 December 2008 and US\$324,200,000 in principal amount of the Bonds remain outstanding as at close of business on the date of this announcement following the cancellation of the Repurchased Bonds.

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

Hong Kong, 30 December 2008

As at the date of this announcement, the Board of Directors of the Issuer comprises five directors, namely, Richard Maurice Hext, Klaus Nyborg, Andrew Thomas Broomhead, Mok Kit Ting Kitty and Sainath Venkatrao.

As at the date of this announcement, the executive directors of the Guarantor are David Muir Turnbull, Richard Maurice Hext, Klaus Nyborg, Wang Chunlin and Jan Rindbo, the non-executive directors of the Guarantor are Dr. Lee Kwok Yin, Simon and Daniel Rochfort Bradshaw, and the independent non-executive Directors of the Guarantor are Robert Charles Nicholson, Patrick Blackwell Paul and Alasdair George Morrison.