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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**

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

(the “Guarantor”)

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

Reference is made to the announcements of the Guarantor dated 4 March 2010, 8 April 2010 and 23 January 2014 and the circular of the Guarantor dated 12 March 2010. Unless otherwise defined here, terms used in this announcement shall have the same meaning given to such terms in the Guarantor’s announcements dated 4 March 2010 and 23 January 2014.

During the exercise period of the Put Option Right from 13 February 2014 to 15 March 2014 (both days inclusive), holders of the Bonds with an aggregate principal amount of US\$20,400,000 (the “Redeemed Bonds”) have given instruction to exercise their Put Option Right pursuant to Condition 8.4 of the terms and conditions of the Bonds. Accordingly, the Redeemed Bonds will be redeemed at 100% of their principal amount, together with accrued but unpaid interest thereon on 14 April 2014. After the cancellation of the Redeemed Bonds, the remaining outstanding aggregate principal amount of the Bonds will be reduced to US\$209,600,000, representing 91.13% of the total principal amount of the Bonds originally issued.

By order of the Board of
Pacific Basin Shipping Limited
MOK Kit Ting, Kitty
Company Secretary

Hong Kong, 17 March 2014

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 12 April 2010 entered into between the Issuer, the Guarantor and HSBC (in its capacity as paying agent, conversion agent, transfer agent, principal agent, registrar and trustee).

As at the date of this announcement, the Directors of the Issuer are Mats Henrik Berglund, Andrew Thomas Broomhead, Mok Kit Ting Kitty and Kong Hoi Yan Karen.

As at the date of this announcement, the Directors of the Guarantor are:

Executive Directors: David Muir Turnbull, Mats Henrik Berglund, Jan Rindbo, Andrew Thomas Broomhead and Chanakya Kocherla

Independent Non-executive Directors: Robert Charles Nicholson, Patrick Blackwell Paul, Alasdair George Morrison and Daniel Rochfort Bradshaw