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Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

NEGOTIATIONS REGARDING A POSSIBLE DISPOSAL OF THE COMPANY'S HARBOUR TOWAGE BUSINESS

This announcement is made pursuant to the Inside Information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Reference is made to the announcement of Pacific Basin Shipping Limited (the "**Company**") dated 15 October 2013, in which the board of directors of the Company (the "**Board**") announced that it had approved the sounding out of the market to establish whether there was interest in a third party acquiring the Company's towage business, which comprises the Company's harbour towage, and offshore towage & infrastructure support businesses (PB Sea-Tow).

The Board wishes to announce that the Company has entered into an exclusive discussion (the "**Discussion**") with a preferred bidder, PSA Marine (Pte) Ltd, regarding a possible sale of the Company's harbour towage business (the "**Harbour Business**") at a consideration calculated based on the tangible net asset value of the Harbour Business as at a completion accounts date to be mutually agreed upon by the Company and the bidder.

The Board has decided to discontinue the sounding out of the market to establish whether there is third party interest in acquiring the Company's offshore towage & infrastructure support business (PB Sea-Tow).

The Discussion is at a preliminary stage and there is no certainty that the Company will proceed with any transaction to sell its Harbour Business. If any transaction proceeds, the Company will comply with its disclosure obligations and make further announcements as and when required in accordance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company, as the Discussion may or may not lead to a binding agreement for the sale of the Harbour Business.

The Board confirms that, save as disclosed herein, it is not aware of any matter discloseable under the Listing Rules, which is or may be of a price-sensitive nature, or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

By Order of the Board
Pacific Basin Shipping Limited
Mok Kit Ting, Kitty
Company Secretary

Hong Kong, 10 March 2014

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

Executive Directors:

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

Independent non-executive Directors:

Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison and Daniel Rochfort Bradshaw