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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Pacific Basin Shipping Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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 Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

**GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Board”	means the board of directors of the Company;
“Bye-laws”	means the bye-laws of the Company;
“business day”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“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;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	means the general mandate enabling the Company to allot, issue and deal in Shares;
“Latest Practicable Date”	means 12 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Notice”	means the notice of the SGM set out in the Appendix to this circular;
“Shareholders”	means the holders of Shares in issue;
“Shares”	means ordinary share(s) of US\$0.10 each in the share capital of the Company;
“Special General Meeting” or “SGM”	the special general meeting of the Company to be held at 7th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong, on Thursday, 29 November 2007 at 11:00 a.m., notice of which is set out in the Appendix to this circular;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“US Dollars” or “US\$”	means United States dollars, the lawful currency of the United States.

LETTER FROM THE BOARD OF DIRECTORS

B Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

Executive Directors:

Christopher Richard Buttery
Richard Maurice Hext
Klaus Nyborg
Wang Chunlin
Jan Rindbo

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Directors:

Daniel Rochfort Bradshaw
Dr. Lee Kwok Yin, Simon

Hong Kong Principal Office:

7th Floor, Hutchison House
10 Harcourt Road
Central
Hong Kong

Independent Non-executive Directors:

Robert Charles Nicholson
Patrick Blackwell Paul
The Earl of Cromer
David Muir Turnbull

14 November 2007

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide the Shareholders with the notice of SGM to be convened for the purpose of considering, and, if thought fit, passing the ordinary resolutions relating to the approval of the grant of general mandates to issue Shares.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 7 April 2006, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares of the Company upto a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at 7 April 2006. This issue mandate expired on 4 April 2007.

LETTER FROM THE BOARD OF DIRECTORS

As the Company does not currently have a general mandate to issue shares, it wishes to propose an ordinary resolution at the SGM to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares of the Company upto a limit of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the SGM (the “**Issue Mandate**”).

The Directors believe the grant of the Issue Mandate is in the best interest of the Company and Shareholder as a whole. Accordingly, the grant of the Issue Mandate will be sought from the Shareholders at the SGM to authorise the Directors to allot, issue and deal with additional Shares of the Company upto 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution, which if passed shall be 29 November 2007.

PRINCIPAL BUSINESS OF THE GROUP

The Group is one of the world’s leading dry bulk shipping companies operating principally in the Asia Pacific region. With a large fleet of modern vessels, Pacific Basin seeks to offer its customers a strong, reliable service with a high degree of scheduling flexibility whilst maintaining the Company’s operational efficiency.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any member(s) present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) member(s) present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Pursuant to Bye-law 66, the chairman will demand a poll on each of the questions submitted for determination at the forthcoming SGM. The results of the poll will be published on the Stock Exchange’s and the Company’s websites on the business day following the SGM.

LETTER FROM THE BOARD OF DIRECTORS

NOTICE OF SPECIAL GENERAL MEETING

The Notice is set out in the Appendix to this circular.

There is enclosed a form of proxy for use at the SGM. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the Company. Whether or not you intend to be present at the SGM, you are requested to complete the form of proxy and return it to Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the SGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the SGM should you so wish.

RECOMMENDATION

The Directors believe that the proposal for the grant of the Issue Mandate is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all related resolutions to be proposed at the SGM.

Yours faithfully,
By Order of the Board
Andrew T. Broomhead
Company Secretary

B Pacific Basin Shipping Limited

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NOTICE IS HEREBY GIVEN that a Special General Meeting (“SGM”) of Pacific Basin Shipping Limited (the “Company”) will be held at 7th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Thursday, 29 November 2007 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “GRANT OF A GENERAL MANDATE TO ISSUE SHARES

THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with new shares of US\$0.10 each in the capital of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers be generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to Shares issued as a result of a Rights Issue (as defined below), the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or the exercise of options granted under the long term incentive scheme of the Company or any scrip dividend providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company's Bye-laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the directors of the Company to holders of Shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

2. **“TO ADD THE NOMINAL AMOUNT OF THE SHARES REPURCHASED UNDER RESOLUTION NO. 6 PASSED AT THE COMPANY’S 2007 ANNUAL GENERAL MEETING HELD ON 4 APRIL 2007 (“AGM”) TO THE MANDATE UNDER RESOLUTION NO. 1**

THAT subject to the passing of Ordinary Resolution No. 1 set out in the notice convening this meeting, the aggregate nominal amount of the shares of the Company which may be purchased or repurchased by the Company pursuant to the authority granted to the directors of the Company by Ordinary Resolution No.6 passed at the AGM shall be added to the aggregate nominal amount of share capital of the Company that may be allotted or issued or agreed conditionally or unconditionally to be allotted or issued by the directors of the Company pursuant to Ordinary Resolution No.1 set out in the notice convening this meeting, provided that such shares shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution.”

By Order of the Board
Andrew T. Broomhead
Company Secretary

Hong Kong, 14 November 2007

Notes:

1. For details of Resolution no. 6 passed at the AGM, please refer to the Notice of AGM published by the Company on 13 March 2007.
2. Every member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more persons as their proxy to attend and vote on behalf of themselves. A proxy need not be a member of the Company.

3. To be valid, a form of proxy, together with the power of attorney or other document of authority, if any, under which the form is signed, or a certified copy thereof, must be deposited with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

4. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if Shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.