
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold all your Shares in Pacific Basin Shipping Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

 **Pacific Basin Shipping Limited**
(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
SPECIFIC MANDATE TO ISSUE SHARES TO SATISFY SHARE AWARDS
PURSUANT TO THE 2013 SHARE AWARD SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2013 annual general meeting of Pacific Basin Shipping Limited to be held at the Hong Kong Maritime Museum, Central Ferry Pier No. 8, Hong Kong on Friday, 19 April 2013 at 10:00 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

15 March 2013

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE CHAIRMAN	3
1. INTRODUCTION	3
2. FINAL DIVIDEND AND BOOK CLOSURE	3
(RESOLUTION 2 AS PER NOTICE)	
3. RE-ELECTION OF DIRECTORS	4
(RESOLUTION 3 AS PER NOTICE)	
4. GENERAL MANDATE TO ISSUE SHARES	4
(RESOLUTION 5 AS PER NOTICE)	
5. GENERAL MANDATE TO REPURCHASE SHARES	5
(RESOLUTION 6 AS PER NOTICE)	
6. SPECIFIC MANDATE TO ISSUE SHARES TO SATISFY SHARE AWARDS	6
PURSUANT TO THE 2013 SHARE AWARD SCHEME	
(RESOLUTION 7 AS PER NOTICE)	
7. PRINCIPAL BUSINESS OF THE GROUP	7
8. VOTING BY POLL	7
9. NOTICE OF ANNUAL GENERAL MEETING	7
10. RECOMMENDATION	7
APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED	8
APPENDIX II – EXPLANATORY STATEMENT	13
APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING	16

DEFINITIONS

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

“2013 Share Award Scheme”	the share award scheme adopted by the Company on 28 February 2013
“AGM”	the 2013 annual general meeting of the Company to be held at the Hong Kong Maritime Museum, Central Ferry Pier No. 8, Hong Kong on Friday, 19 April 2013 at 10:00 a.m., notice of which is set out on pages 16 to 20 of this circular
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company” or “Pacific Basin”	Pacific Basin Shipping Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate enabling the Company to allot, issue and deal in the Shares
“Latest Practicable Date”	13 March 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Long Term Incentive Scheme”	the share option scheme adopted by the Company on 17 June 2004 and amended and re-named the long term incentive scheme pursuant to a resolution passed by Shareholders at a special general meeting on 8 June 2005, which has been replaced by the 2013 Share Award Scheme with effect from 28 February 2013
“Notice”	the notice of the AGM set out on pages 16 to 20 of this circular
“Repurchase Mandate”	the general and unconditional mandate enabling the Company to repurchase Shares
“Shareholder(s)”	holders of Share(s) in issue
“Share(s)”	Share(s) of US\$0.10 each in the share capital of the Company
“Share Awards”	include restricted Share awards and restricted Share units, which are awards of Shares by the Board pursuant to the Long Term Incentive Scheme and the 2013 Share Award Scheme, both subject to the terms and conditions set out therein respectively
“Share Award Issue Mandate”	the specific mandate enabling the Company to allot, issue and deal with up to 38,731,542 new Shares that may be issued by the Company to satisfy Share Awards pursuant to the 2013 Share Award Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission

LETTER FROM THE CHAIRMAN

 **Pacific Basin Shipping Limited**

(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

Executive Directors:

David Muir Turnbull
Mats Henrik Berglund
Jan Rindbo
Andrew Thomas Broomhead
Wang Chunlin
Chanakya Kocherla

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent Non-Executive Directors:

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

Hong Kong Principal Office:

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

15 March 2013

To Shareholders,

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,
SPECIFIC MANDATE TO ISSUE SHARES TO SATISFY SHARE AWARDS
PURSUANT TO THE 2013 SHARE AWARD SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with the notice of the AGM to be convened for the purpose of considering and, if thought fit, passing seven ordinary resolutions to approve, among other things, the re-election of Directors, the grant of general mandates to issue and to repurchase Shares and the grant of a specific mandate to issue Shares to satisfy Share Awards pursuant to the 2013 Share Award Scheme.

2. FINAL DIVIDEND AND BOOK CLOSURE (RESOLUTION 2 AS PER NOTICE)

The Board has recommended a final dividend for the year ended 31 December 2012 of HK 5 cents per Share and if such dividend is approved by the Shareholders at the AGM, it is expected to be paid on or about 8 May 2013 to those Shareholders whose names appear on the register of Shareholders on 30 April 2013.

LETTER FROM THE CHAIRMAN

The register of Shareholders will be closed from 26 April to 30 April 2013 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant Share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 25 April 2013. The ex-dividend date for the final dividend will be 24 April 2013.

3. RE-ELECTION OF DIRECTORS (RESOLUTION 3 AS PER NOTICE)

In relation to resolution 3 in the Notice regarding re-election of Directors and that Mr. Wang Chunlin, an Executive Director, has tendered notice on 28 February 2013 that he will retire at the AGM and will not offer himself for re-election, Mr. Andrew T. Broomhead, an Executive Director and Mr. Robert C. Nicholson, an Independent Non-executive Director, will retire at the AGM by rotation pursuant to the Company's Bye-laws and, being eligible, will offer themselves for re-election. In addition, Messrs. Mats H. Berglund and Chanakya Kocherla, both newly appointed Executive Directors in 2012, shall retire at the 2013 AGM and, being eligible, shall offer themselves for re-election. None of the above Directors to be re-elected has any relationship with any of the other Directors, senior management or substantial or controlling Shareholders of the Company. Under resolution 3, the re-election of Directors will be separately voted on by Shareholders.

The biographical details and interests in Shares of the Directors to be re-elected at the AGM are set out in Appendix I below.

4. GENERAL MANDATE TO ISSUE SHARES (RESOLUTION 5 AS PER NOTICE)

At the annual general meeting of the Company held on 19 April 2012, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares up to a limit of 10% of the aggregate nominal amount of the issued share capital of the Company as at 19 April 2012.

On 22 October 2012, the Board announced the issue of convertible bonds due in 2018 by PB Issuer (No. 3) Limited (an indirectly wholly-owned subsidiary of the Company) in an aggregate principal amount of US\$123.8 million (approximately HK\$959.8 million) and guaranteed by the Company (the "2018 Convertible Bonds"). The 2018 Convertible Bonds will be convertible (subject to adjustment) into approximately 193,504,891 Shares based on full conversion at the initial Conversion Price of HK\$4.96 per Share, that will utilise nearly the entire existing Issue Mandate. The net proceeds from the issue of the 2018 Convertible Bonds, after deduction of commission and expenses, are intended to be used by the Company primarily for the acquisition of additional Handysize and Handymax vessels, as well as for general working capital purposes.

LETTER FROM THE CHAIRMAN

As the entire existing Issue Mandate has been nearly utilised, the Directors believe that it is in the best interests of the Company and the Shareholders as a whole to renew the Issue Mandate. Accordingly, an ordinary resolution will be proposed at the AGM which will give the Directors a general mandate to allot, issue and deal with additional Shares up to 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 19 April 2013, provided that any Shares to be allotted and issued pursuant to the Issue Mandate shall not be issued at a discount of more than 10% to the Benchmarked Price of the Shares (which shall be a price which is the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of signing of the agreement to which the transaction relates or; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the earliest of (a) the date of signing of the agreement to which a transaction relates; or (b) the date on which such relevant transaction is announced; or (c) the date on which the price of the Shares to be issued pursuant to such relevant transaction is fixed).

The full text of the ordinary resolution to be proposed at the AGM in relation to the Issue Mandate is set out in resolution 5 in the Notice set out on pages 16 to 20 of the circular.

5. GENERAL MANDATE TO REPURCHASE SHARES (RESOLUTION 6 AS PER NOTICE)

At the annual general meeting of the Company held on 19 April 2012, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to repurchase the Shares on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 19 April 2012. No Shares have been repurchased pursuant to the Repurchase Mandate as at the Latest Practicable Date.

As the existing Repurchase Mandate is going to expire at the conclusion of the AGM, the Directors believe that the renewal of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, an ordinary resolution will be proposed at the AGM which will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares at any time until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of such resolution; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Bye-laws to be held; or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting, as stated in the ordinary resolution up to a maximum of 10% of the aggregate nominal amount of the issued Share capital of the Company at the date of passing of the relevant resolution, which if passed shall be 19 April 2013.

The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in Appendix II to this circular.

The full text of the ordinary resolution to be proposed at the AGM in relation to the Repurchase Mandate is set out in resolution 6 in the Notice set out on pages 16 to 20 of this circular.

LETTER FROM THE CHAIRMAN

6. SPECIFIC MANDATE TO ISSUE SHARES TO SATISFY SHARE AWARDS GRANTED UNDER THE 2013 SHARE AWARD SCHEME (RESOLUTION 7 AS PER NOTICE)

Under the 2013 Share Award Scheme, the Board shall not make any further Share Awards that would result in the number of Shares awarded by the Board in aggregate under the 2013 Share Award Scheme and the Long Term Incentive Scheme exceeding 10% of the issued Share capital of the Company as at the first date of each financial year during the term of the 2013 Share Award Scheme (being 193,657,711 Shares as at 1 January 2013). Such current overall limit of 193,657,711 Shares that may be used to satisfy the Share Awards includes existing Shares that may be purchased in the market and new Shares that may be allotted and issued by the Company utilising the Issue Mandate or a specific mandate separately obtained from the Shareholders in a general meeting of the Company. No new Shares are to be allotted and issued to any connected persons of the Company to satisfy the Share Awards. Also, the Board has resolved not to make any further grants of Share Awards under the Long Term Incentive Scheme.

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a specific mandate for the issue of new Shares to satisfy Share Awards. Accordingly, an ordinary resolution whereby an annual cap of no more than 2% of the total issued share capital of the Company as at the first date of each financial year during the term of the 2013 Share Award Scheme (being 38,731,542 Shares as at 1 January 2013) for the issue of new Shares to satisfy Share Awards, renewable by the Shareholders in a general meeting, will be proposed at the AGM. The Share Award Issue Mandate shall lapse at the earlier of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Bye-laws to be held; and (iii) the revocation or variation of the authority by ordinary resolution of the Shareholders in a general meeting. If the Company were to issue all of the 38,731,542 Shares under the Share Award Issue Mandate, the estimated fair value of such new Shares would be approximately HK\$183.97 million, based on a closing price of HK\$4.75 per Share on the Latest Practicable Date. The Company will apply to the Stock Exchange for the grant of listing of and permission to deal in the new Shares to satisfy Share Awards as soon as practicable after any grant of Share Awards as and when required.

The Company will make voluntary disclosures in respect of the 2013 Share Award Scheme and the Share Awards so as to allow the Shareholders to continue to receive relevant and appropriate information on matters that would affect the share structure of the Company.

The full text of the ordinary resolution to be proposed at the AGM in relation to the Share Award Issue Mandate is set out in resolution 7 in the Notice set out on pages 16 to 20 of this circular. No Shareholders are required to abstain from voting on the resolution in relation to the Share Award Issue Mandate.

Copies of the documents relating to the Long Term Incentive Scheme and the 2013 Share Award Scheme will be available for inspection during normal business hours at the principal office of the Company in Hong Kong up to and including 19 April 2013 and at the AGM.

LETTER FROM THE CHAIRMAN

7. PRINCIPAL BUSINESS OF THE GROUP

The Group is one of the world's leading owners and operators of modern Handysize and Handymax dry bulk vessels. The Company is listed and headquartered in Hong Kong, and currently operates in two main maritime sectors under the banners of Pacific Basin Dry Bulk and PB Towage.

8. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to Bye-law 66. The Company will appoint the Company's branch Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, as the scrutineer to handle vote-taking procedures at the AGM. The results of the poll will be published on the HKExnews website at www.hkexnews.hk and the Company's website at www.pacificbasin.com no later than the business day following the AGM.

9. NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 16 to 20 of this circular.

There is enclosed a form of proxy for use at the AGM. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to Computershare Hong Kong Investor Services Limited, 17M 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 AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM should you so wish.

10. RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of Directors, the renewal of the Issue Mandate and the Repurchase Mandate and the grant of the Share Award Issue Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
David M. Turnbull
Chairman

APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

EXECUTIVE DIRECTORS

Mats Henrik Berglund – age 50, Chief Executive Officer

Mr. Berglund graduated from the Business School of Gothenburg University in 1986 with a “Civilekonom” degree (equivalent to a Master of Business Administration in Business and Finance in the United States). In addition, he attended the Advanced Management Program at Harvard Business School in 2000. After graduating from Gothenburg University he joined Stena, a Swedish family owned conglomerate predominately engaged in shipping. From 1986 to 2005 he occupied various managerial and leadership positions in various Stena group shipping businesses in Sweden and the US, including group controller of Stena Line, vice president and chief financial officer of both Concordia Maritime and StenTex (a Stena Texaco joint venture), president of StenTex, group coordinator, shipping activities of Stena Rederi AB (Stena’s parent company for all shipping activities), vice president of Stena Rederi AB and, from 2002 to 2005, president of Stena Rederi AB. From 2005 to 2011, Mr. Berglund served as the senior vice president and head of Crude Transportation, Strategic Business Unit for Overseas Shipholding Group Inc., a company listed on the New York Stock Exchange. Between March 2011 and May 2012 Mr. Berglund served as chief financial officer and chief operating officer at Chemoil Energy Limited, a global trader of marine fuel products which is listed on the Singapore Exchange Ltd. Between April 2011 and May 2012, he was appointed as a director of California Software Company Limited, a company listed on the National Stock Exchange of India and Bombay Stock Exchange. Mr. Berglund joined the Company as Group’s Chief Executive Officer and Executive Director on 1 June 2012.

Mr. Berglund has entered into a service agreement with the Company for a period of three years (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company). Pursuant to his service agreement with the Company, Mr. Berglund currently receives an emolument at the rate of US\$976,000 per annum, which is inclusive of salary and rental allowance. In addition, he is provided with a school fee allowance of US\$45,900 per annum for his two children under the age of 18 until the completion of their secondary education and certain other benefits in kind. Mr. Berglund is also eligible to receive an annual bonus of up to 100% of his salary, which will be paid at the discretion of the Board. In addition, an aggregate of 2,628,000 Shares in the Company in the form of restricted Share Awards has been granted to Mr. Berglund pursuant to the Long Term Incentive Scheme of the Company which will vest in three equal or similar tranches on 14 July 2013, 14 July 2014 and 14 July 2015 respectively. Mr. Berglund’s emolument was agreed between the Company and Mr. Berglund and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Berglund did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Berglund does not have any relationship with any other Directors or senior management or any substantial or controlling Shareholders of Pacific Basin and save as disclosed in the paragraph below relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Berglund have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Andrew Thomas Broomhead – age 51, Chief Financial Officer

Mr. Broomhead graduated from Cambridge University in 1982 with a Bachelor of Arts (subsequently Master of Arts) degree in Natural Sciences. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He attended the Breakthrough Programme for Senior Executives at IMD Business School in 2010. His experience covers company and project financing with emphasis on the infrastructure sector through his work with Deloitte, Haskins & Sells, Samuel Montagu & Co., International Finance Corporation, Bakrie Investindo and Sanwa International Finance. He has been based in the UK, USA, Singapore, Indonesia and Hong Kong, and has worked in Asia for over 19 years. Mr. Broomhead joined the Company in April 2003 as the Group's Chief Financial Officer and Company Secretary (subsequently stood down from Company Secretary in July 2012). He was further appointed as an Executive Director in September 2010 with responsibility for Group finance and accounting, investor relations, corporate governance and compliance and IT.

Mr. Broomhead has entered into a service agreement with the Company for a term of three years until 31 August 2013 or the conclusion of the 2013 annual general meeting, whichever is the earlier. The company intends to extend his term of appointment until conclusion of the 2016 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company). Mr. Broomhead currently receives an emolument at the rate of US\$472,000 per annum, which is inclusive of salary, rental reimbursement and retirement scheme contribution. He is also eligible to receive a bonus which will be paid at the discretion of the Board. In addition, an aggregate of 2,304,000 Shares in the form of restricted Share Awards have been granted to him since May 2007 pursuant to the Long Term Incentive Scheme. Of these restricted Share Awards, (i) 859,000 Shares have vested; (ii) 304,000 Shares will vest on 14 July 2013; (iii) 377,000 Shares will vest on 14 July 2014; and (iv) 764,000 Shares will vest on 14 July 2015. Mr. Broomhead's emolument was agreed between the Company and Mr. Broomhead and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Broomhead did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Broomhead does not have any relationship with any other Directors or senior management or any substantial or controlling Shareholders of Pacific Basin and save as disclosed in the paragraph below relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Broomhead have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Chanakya Kocherla – age 55

Mr. Kocherla graduated from the Directorate of Marine Engineering Training, India in 1978. He has 34 years of experience in the shipping industry, including 14 years at sea and experience with several ship types both at sea and ashore. He joined the Company in December 2000 as part of the Company's acquisition of Jardine Ship Management and, since 2010, has been the Group Managing Director of the Company's PB Towage division. He was previously Managing Director of PB Maritime Services and Director, Fleet, responsible for operations of the Company's owned and technically managed fleet (including technical operations, manning and training, quality, health, safety and the environment, and newbuildings). He has also served as a director of several wholly owned subsidiaries and jointly owned entities of the Company.

Mr. Kocherla has entered into a variation letter to his current employment agreement, under which he was appointed as an Executive Director of the Company for a period of three years (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company) commencing from 25 June 2012. There is no change to Mr. Kocherla's remuneration arising from his appointment as an Executive Director of the Company. Mr. Kocherla currently receives a salary at the rate of AUD547,000 per annum which is inclusive of salary and superannuation. He is also eligible to receive a bonus which will be paid at the discretion of the Board. Since Mr. Kocherla is currently based in Australia, the above emoluments will not be received by him from outside of Australia and therefore will be taxable in Australia only. In addition, an aggregate of 1,456,000 Shares in the Company in the form of restricted Share Awards have been granted to Mr. Kocherla pursuant to the Company's Long Term Incentive Scheme since 11 May 2007, of which (i) 588,000 Shares have vested; (ii) 183,000 Shares will vest on 14 July 2013; (iii) 257,000 Shares will vest on 14 July 2014 and (iv) 428,000 Shares will vest on 14 July 2015 respectively. Mr. Kocherla's emolument was agreed between the Company and Mr. Kocherla and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Kocherla did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Kocherla does not have any relationship with any other Directors or senior management or any substantial or controlling Shareholders of Pacific Basin and save as disclosed in the paragraph below relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Kocherla have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

INDEPENDENT NON-EXECUTIVE DIRECTOR

Robert C. Nicholson – age 57

Mr. Nicholson, a graduate of the University of Kent, qualified as a solicitor in England and Wales and in Hong Kong. He is an executive director of First Pacific Company Limited and an independent non-executive director of QPL International Holdings Limited. He is also the executive chairman of Forum Energy Plc which is listed on the AIM market of the London Stock Exchange, a director of Metro Pacific Investments Corporation, Philex Mining Corporation and Philex Petroleum Corporation, and serves as a commissioner of PT Indofood Sukses Makmur Tbk, all of which are subsidiaries, associates or investees of First Pacific group. Previously, he was a senior partner of Richards Butler from 1985 to 2001 where he established the corporate and commercial department, and was also a senior advisor to the board of directors of PCCW Limited between August 2001 and September 2003.

Mr. Nicholson joined the Company as an Independent Non-executive Director in March 2004 and his term of appointment was extended at the 2011 annual general meeting until the conclusion of the 2014 annual general meeting. The Company intends to extend his term of appointment until the conclusion of the 2016 annual general meeting (subject to retirement by rotation at the general meeting of the Company in accordance with the Bye-laws of the Company). Mr. Nicholson currently receives HK\$400,000 per annum for being an Independent Non-executive Director and he is entitled to receive a fee of HK\$300,000 per annum for being a member of the audit, remuneration and nomination committees and for being Chairman of the remuneration and nomination committees. His total remuneration of HK\$700,000 per annum will be payable quarterly in arrears. Mr. Nicholson's emolument was agreed between the Company and Mr. Nicholson and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Mr. Nicholson has served the Company as an Independent Non-executive Director for more than 9 years, however the Board considers that he continues to be independent and is able to carry out his duties as an Independent Non-executive Director of the Company for the following reasons:

- (a) Mr. Nicholson is able to confirm his independence to the Stock Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Since the listing of the Company in 2004, Mr. Nicholson has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been employed by any member of the Pacific Basin group;
- (c) Mr. Nicholson does not have any familial or contractual relationships with any directors, senior management or substantial or controlling Shareholders of the Company or any of their respective associates, nor does he hold any other position with the Company or its connected persons, or any of their respective holding companies or subsidiaries; and
- (d) After due and careful consideration, the Company's Nomination Committee considers Mr. Nicholson suitably independent to carry out his duties as an Independent Non-executive Director.

APPENDIX I – PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Save as aforesaid, Mr. Nicholson did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Nicholson does not have any relationship with any other Directors or senior management or any substantial or controlling Shareholders of Pacific Basin and save as disclosed in the paragraph below relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Nicholson have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

INTERESTS AND LONG POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The interests of the Directors to be re-elected at the AGM in the Shares, underlying Shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company under Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or as notified to the Company were as follows:

Name of Director	Long/Short Position	Personal interests	Family interests	Corporate interests	Trust & similar interests	Total Share interests	Approximate percentage of the issued Share capital of the Company
Mats H. Berglund	Long	3,045,003 ¹	–	–	–	3,045,003	0.16%
Andrew T. Broomhead	Long	1,445,000	–	2,291,402 ²	–	3,736,402	0.19%
Chanakya Kocherla	Long	1,978,667	–	–	–	1,978,667	0.10%

Notes:

- (1) 417,003 Shares out of 3,045,003 Shares held by Mr. Berglund are in the form of 39 units of convertible bonds due 2016 at face value of US\$10,000 each.
- (2) 2,291,402 Shares are held via Paulatim Investments Limited which is jointly owned by Mr. Broomhead and his wife, of which 1,283,090 Shares are in the form convertible bonds due 2016 at nominal value of US\$1,200,000, and 312,608 Shares are in the form of convertible bonds due 2018 at nominal value of US\$200,000.

At no time during the year was the Company, its subsidiaries, or its associated companies a party to any arrangement to enable the Directors and Chief Executive of the Company to hold any interests or short positions in the Shares or underlying Shares in, or debentures of, the Company or its associated corporations.

APPENDIX II – EXPLANATORY STATEMENT

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to accompany the Notice at which a resolution is to be proposed in relation to the Repurchase Mandate.

REPURCHASE MANDATE

The relevant sections of the Listing Rules which permit companies with a primary listing on the Stock Exchange to repurchase their Shares on the Stock Exchange, subject to certain restrictions, are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all proposed repurchases of Shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction. The Listing Rules require an explanatory statement such as is contained herein to be sent to Shareholders to give Shareholders adequate information to enable them to decide whether to approve the grant of such a mandate.

(b) Source of funds

In repurchasing its Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda.

Under Bermudan law, purchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose.

Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's Share premium account.

(c) Maximum number of Shares to be repurchased

As at the Latest Practicable Date, the issued Share capital of the Company comprised 1,936,577,119 Shares. Subject to the passing of resolution 6 approving the Repurchase Mandate as set out in the Notice appearing on pages 16 to 20 of this circular and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 193,657,711 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Bye-laws to be held; or (iii) the revocation or variation of the authority given under resolution 6 by an ordinary resolution of the Shareholders in general meeting, whichever is earliest.

APPENDIX II – EXPLANATORY STATEMENT

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to an enhancement of the net asset value of the Company and/or its earnings per share and will be made only when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association and Bye-laws and the laws of Bermuda.

The Directors have no present intention to repurchase any Shares and they would exercise the power to repurchase in circumstances only where they consider that the repurchase would be in the best interests of the Company and the Shareholders as a whole and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. As compared with the position as disclosed in the Company's most recent published audited accounts for the year ended 31 December 2012, and taking into account the current working capital position of the Company, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it could have a material adverse impact on the working capital position of the Company.

DISCLOSURE OF INTERESTS

None of the Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of Directors has a present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected persons of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

APPENDIX II – EXPLANATORY STATEMENT

SHARE PRICE

During each of the previous twelve months preceding the Latest Practicable Date, the highest and lowest prices at which Shares were traded on the Stock Exchange were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2012		
March	4.48	3.75
April	4.45	3.99
May	4.15	3.32
June	3.75	3.03
July	3.65	3.15
August	3.93	3.19
September	4.07	3.15
October	4.24	3.53
November	4.25	3.78
December	4.45	4.00
2013		
January	4.79	4.51
February	4.59	4.23
March (up to the Latest Practicable Date)	4.78	4.65

TAKEOVERS CODE

If as a result of a Share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, the largest Shareholder of the Company, Aberdeen Asset Management Plc and its Associates (the "Aberdeen Group") is interested in 350,029,536 Shares (representing approximately 18.07% of the Company's issued Share capital of 1,936,577,119). Based on the said interests of Aberdeen Group in the issued Share capital of the Company as at the Latest Practicable Date, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the resolution to be proposed at the AGM, the interests of Aberdeen Group in the issued Share capital of the Company will be increased from approximately 18.07% to approximately 20.08% which is below the 30% threshold prescribed under the Takeovers Code and Aberdeen Group would not be obliged to make a mandatory general offer under Rule 26 of the Takeover Code as a result of such increase.

The Directors have no intention to exercise the Repurchase Mandate in such a way and to such extent that would give rise to an obligation on the part of Aberdeen Group or any other Shareholder to make a mandatory general offer under Rule 26 of the Takeover Code.

SHARE REPURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (on the Stock Exchange or otherwise) in the six months prior to the date of this document.

Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of Pacific Basin Shipping Limited (the “Company”) will be held at the Hong Kong Maritime Museum, Central Ferry Pier No. 8 Hong Kong on Friday, 19 April 2013 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited financial statements and the reports of the Directors and auditors for the year ended 31 December 2012;
2. To declare a final dividend for the year ended 31 December 2012;
3. To re-elect Directors and to authorise the Board of Directors of the Company to fix their remuneration;
4. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as the auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration;

As special business, to consider and, if thought fit, pass the following resolutions as an Ordinary Resolution:

5. **“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;

APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING

(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, provided that any Shares to be allotted and issued pursuant to the approval in paragraph (a) above shall not be issued at a discount of more than 10% to the Benchmarked Price of the Shares, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earliest of:
 - (A) the date of signing of the agreement to which the transaction relates; or
 - (B) the date on which the relevant transaction is announced; or
 - (C) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

“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 By-laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING

“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 the Shares 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).”

As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

6. **“GRANT OF A GENERAL MANDATE TO REPURCHASE SHARES**

THAT:

- (a) subject to paragraph (b) 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 purchase the Shares on Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange be generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during that Relevant Period 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
- (c) 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 Byelaws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING

7. **“SPECIFIC MANDATE TO ISSUE SHARES TO SATISFY SHARE AWARDS PURSUANT TO THE 2013 SHARE AWARD SCHEME**

THAT:

- (a) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company to satisfy the Share Awards, shall during the Relevant Period not exceed 2% of the aggregate nominal amount of the share capital of the Company in issue as at the beginning of each such financial year (being 38,731,542 Shares as at 1 January 2013); and
- (b) 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 date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

By Order of the Board
Mok Kit Ting, Kitty
Company Secretary

Hong Kong, 15 March 2013

APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the Annual General Meeting 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.
2. 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, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be).
3. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if the Shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 26 April to 30 April 2013 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant Share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 25 April 2013. The ex-dividend date for the final dividend will be on 24 April 2013.
5. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue Shares, the general mandate to repurchase Shares and the grant of specific mandate to issue Shares to satisfy Share Awards under the 2013 Share Award Scheme will be sent to the Shareholders together with the Company's 2012 Annual Report.