



Press Release

Pacific Basin Sells and Time-charters Back Three Vessels

Hong Kong, May 21, 2007 – **Pacific Basin Shipping Limited** (“Pacific Basin” or “the Company”; Stock code: 2343), one of the world’s leading dry bulk shipping companies, today announced that it has entered into three separate Memorandums of Agreement (“MOAs”) to sell three handysize vessels, namely “Port Pirie”, “Ocean Falls” and “Hawk Inlet”, for a consideration of US\$24,000,000 (approximately HK\$187,200,000) each. The total consideration for the vessels is US\$72,000,000 (approximately HK\$561,600,000). The total disposal gains as a result of the sale of the vessels are estimated to be about US\$22,185,000 (approximately HK\$173,043,000).

The Company will enter into charterparties to take all three vessels back into its chartered fleet at agreed rates for a fixed period of three years commencing immediately upon the respective delivery of the vessels. The Company currently expects that the three charterparties will be finalised and signed by June 2007.

Mr. Richard Hext, CEO of Pacific Basin, said “This sale will enable us to release three older vessels from our fleet. The simultaneous time charter back of the vessels will allow us to retain commercial control and hence the earnings of these vessels during their charters. These transactions are consistent with the Company’s strategy of maintaining a modern handysize fleet. The sale will generate cash which is intended to be used for general working capital and for funding suitable investment projects. The dividend policy of the Board remains to pay out at least 50% of the Company’s earnings each year, which includes the earnings derived from these disposal gains. The sale and time charter back of the vessels will not affect the number of our handysize revenue days during the charter periods of the vessels concerned.”

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About Pacific Basin

Pacific Basin Shipping Limited is one of the world’s leading commercial dry bulk shipping companies with an owned, chartered and managed fleet under the name of Pacific Basin (www.pacbasin.com) and International Handybulk Carriers (“IHC”) (www.handybulkpool.com). It commenced its handymax activity in December 2005 under the name of International Handymax Carriers (“IHX”) (www.handymaxpool.com).

The company specializes in shipping a broad range of dry bulk commodities which include forestry products, cement, minerals, grains and fertilizers and scrap steel from resource-rich regions such as Australia, New Zealand, West Coast North America and South East Asia to high commodity consumption countries such as Japan, China, and Korea.

Pacific Basin has a global presence with its headquarters in Hong Kong and operating offices in Shanghai, Beijing, Dalian, Tokyo, Seoul, Singapore, Dubai, London, Vancouver, Melbourne and Fujairah.

Pacific Basin's fleet totals 109 vessels including a 'core' fleet of 84 vessels plus 25 vessels on short-term charters. The 'core' fleet comprises 60 handysize and 9 handymax vessels which are owned, chartered or managed, and 15 newbuildings on order, of which 13 are handysize and 2 are handymax (The total includes the 3 sold and chartered-back vessels announced today).

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