Pacific Basin

Results Presentation

For the year ended 31st December 2005

2005 Highlights

- **Profits – US$147.1 million (2004:$103.5million)**
- **Revenues – US$433.7 million (2004:$302.2million)**
- **Earnings per share US cents 11.58; HK cents 89.72 (2004: US cents 9.59, HK cents 74.30)**
- **50 owned and chartered vessels in operation at year end (2004: 45) plus 10 on order (2004: 6)**
- **Average TCE rate achieved of US$17,100/day (2004: $17,900)**
- **Proposed final dividend of HK cents 35 per share giving total dividend of HK cents 65**

2006 Outlook

- Market likely to remain firm but at lower levels than 2005
- 2006 Handysize revenue days and contract cover now stand at

Days	Cover	$/day
14,800	61%	14,400+

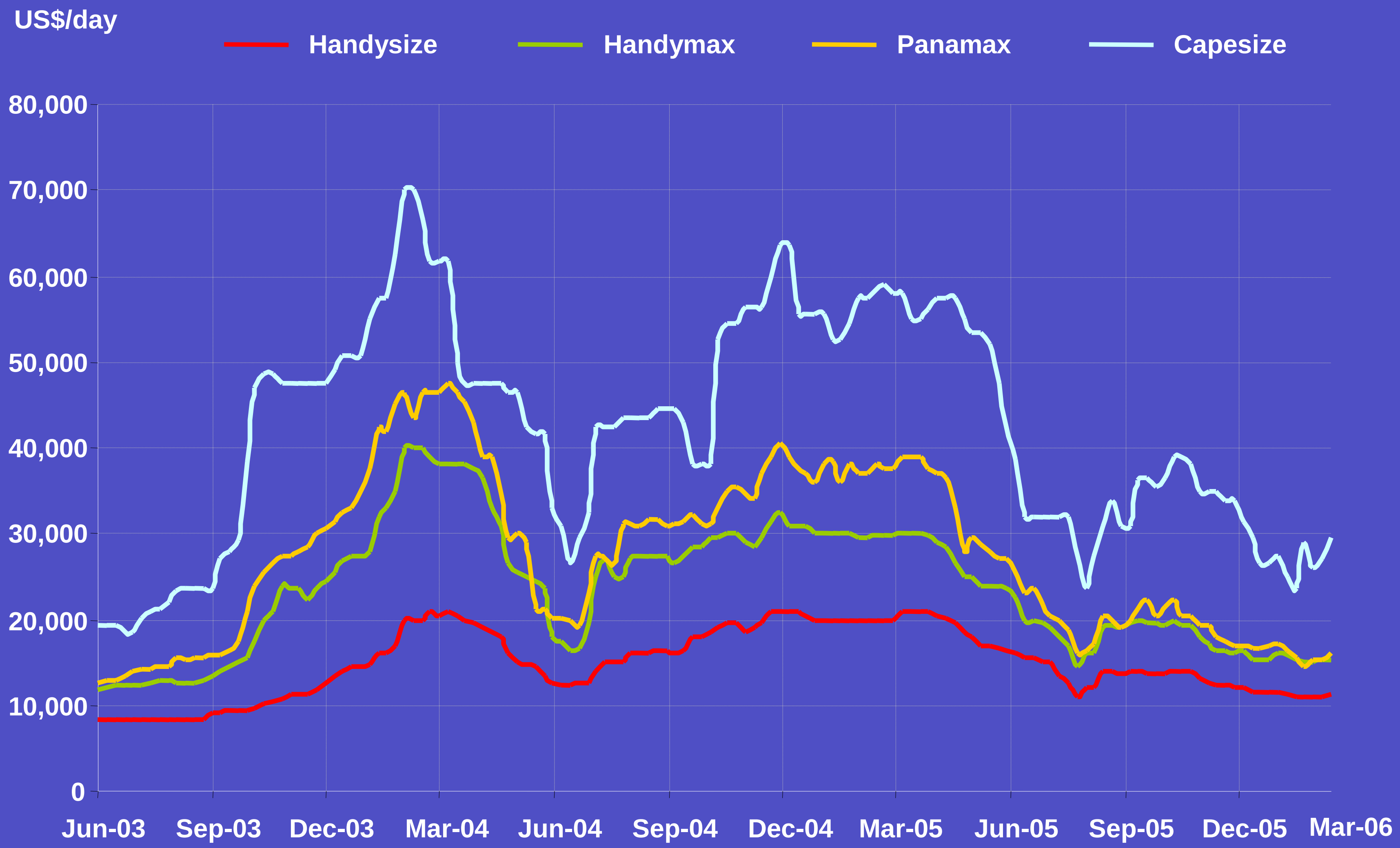
- Newbuilding programme to expand fleet 20% over next 3 years
- Over US$300million of spending power (including leverage) for further fleet expansion at the right time
- Dividend policy for 2006 reaffirmed and minimum HK cents 40 per share set as reasonable expectation

Market Review

The Baltic Dry Index

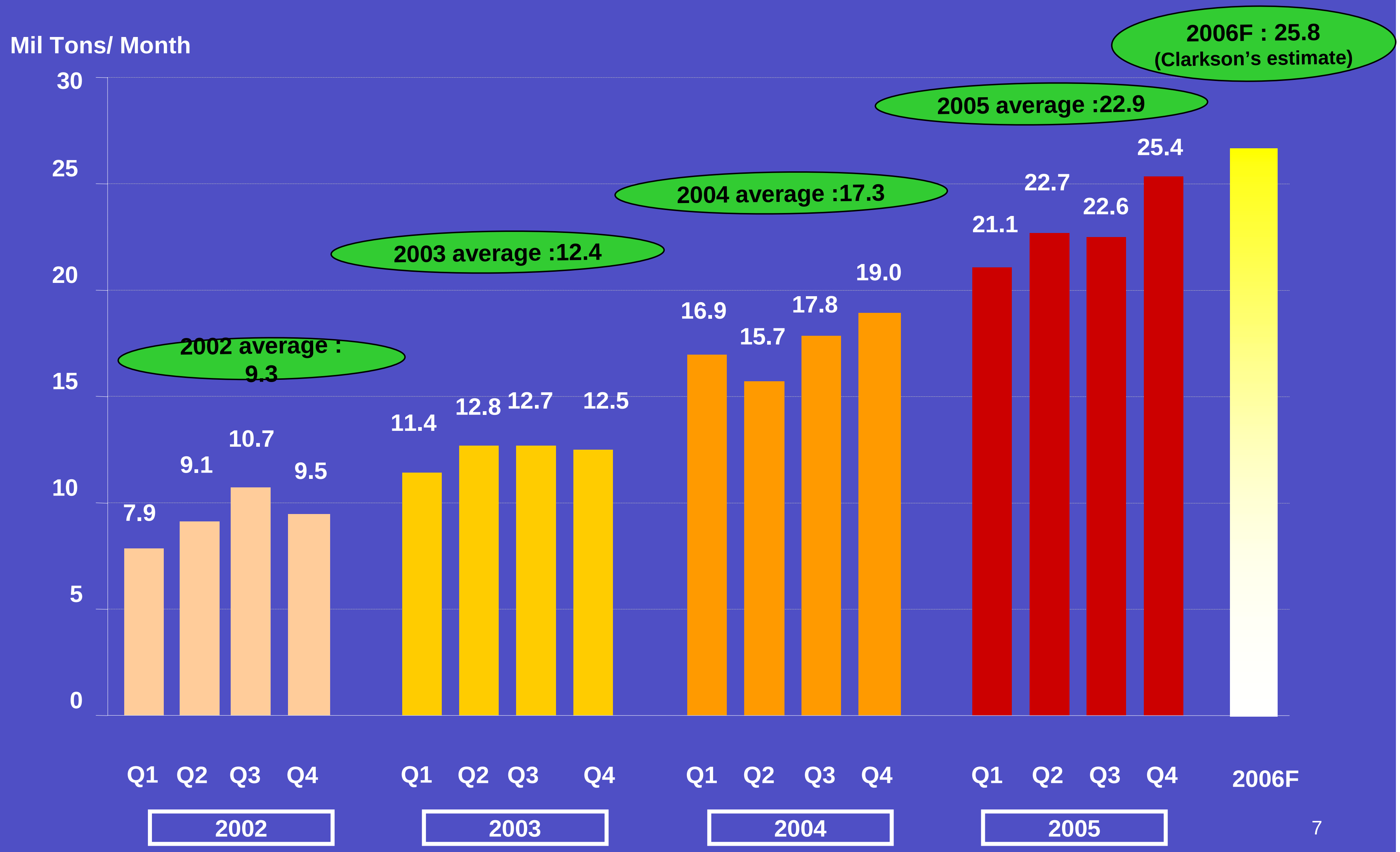
Source: Bloomberg

Dry Bulk – 1 year Time-Charter Rates

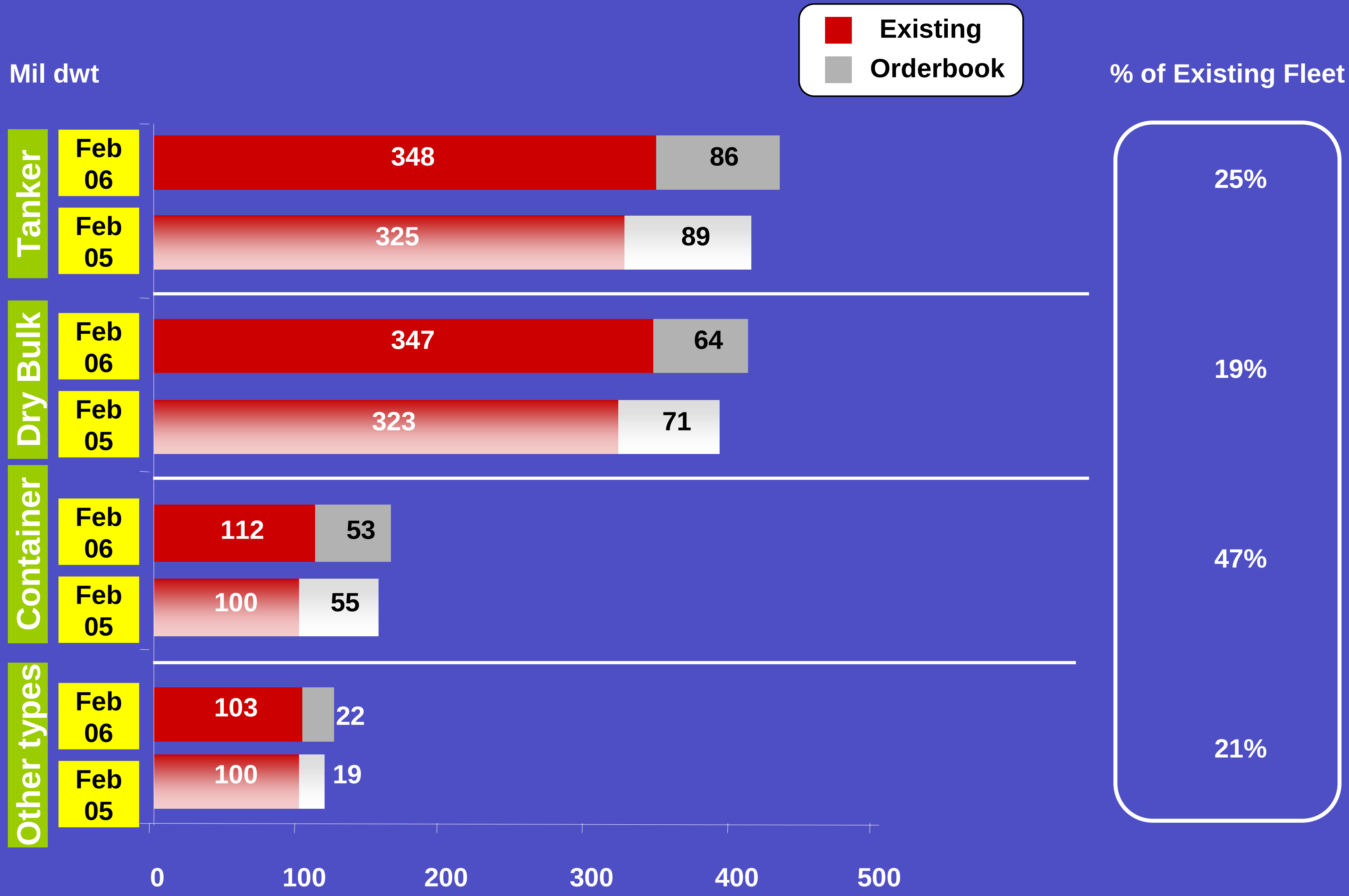


Source: Clarkson's

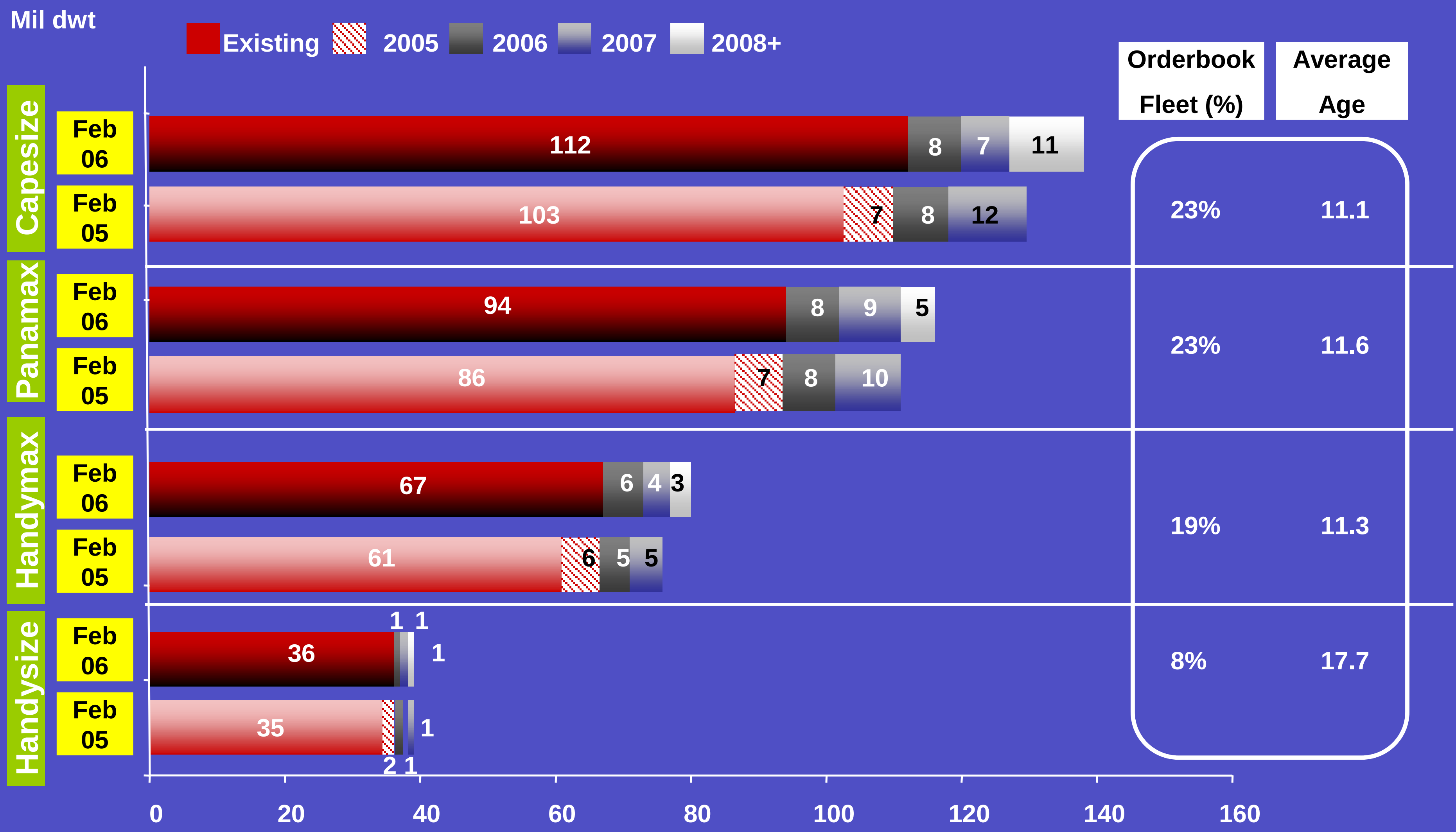
Demand – China's Iron Ore Imports



World Fleet & Orderbook

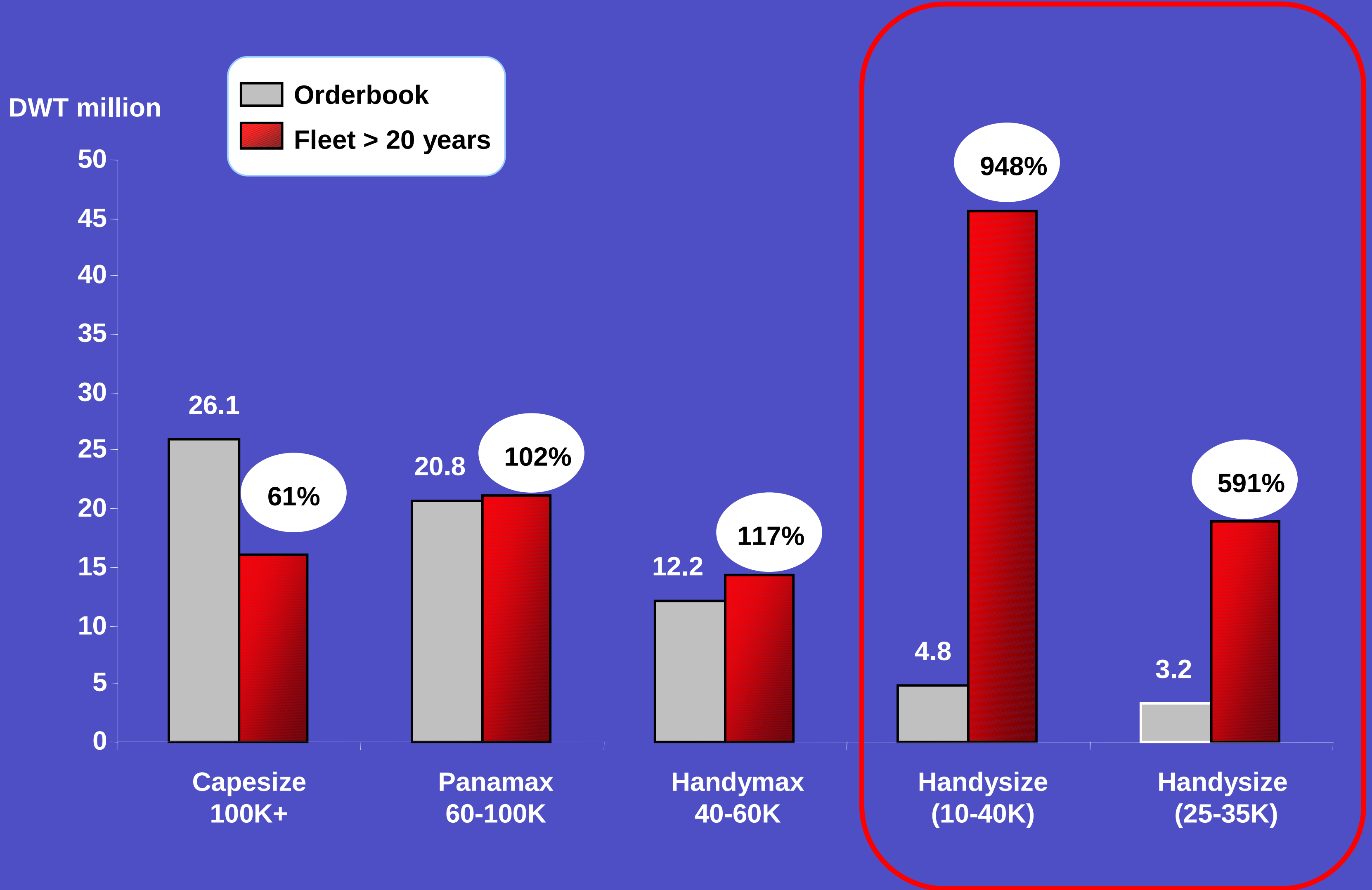


Drybulk Fleet & Orderbook

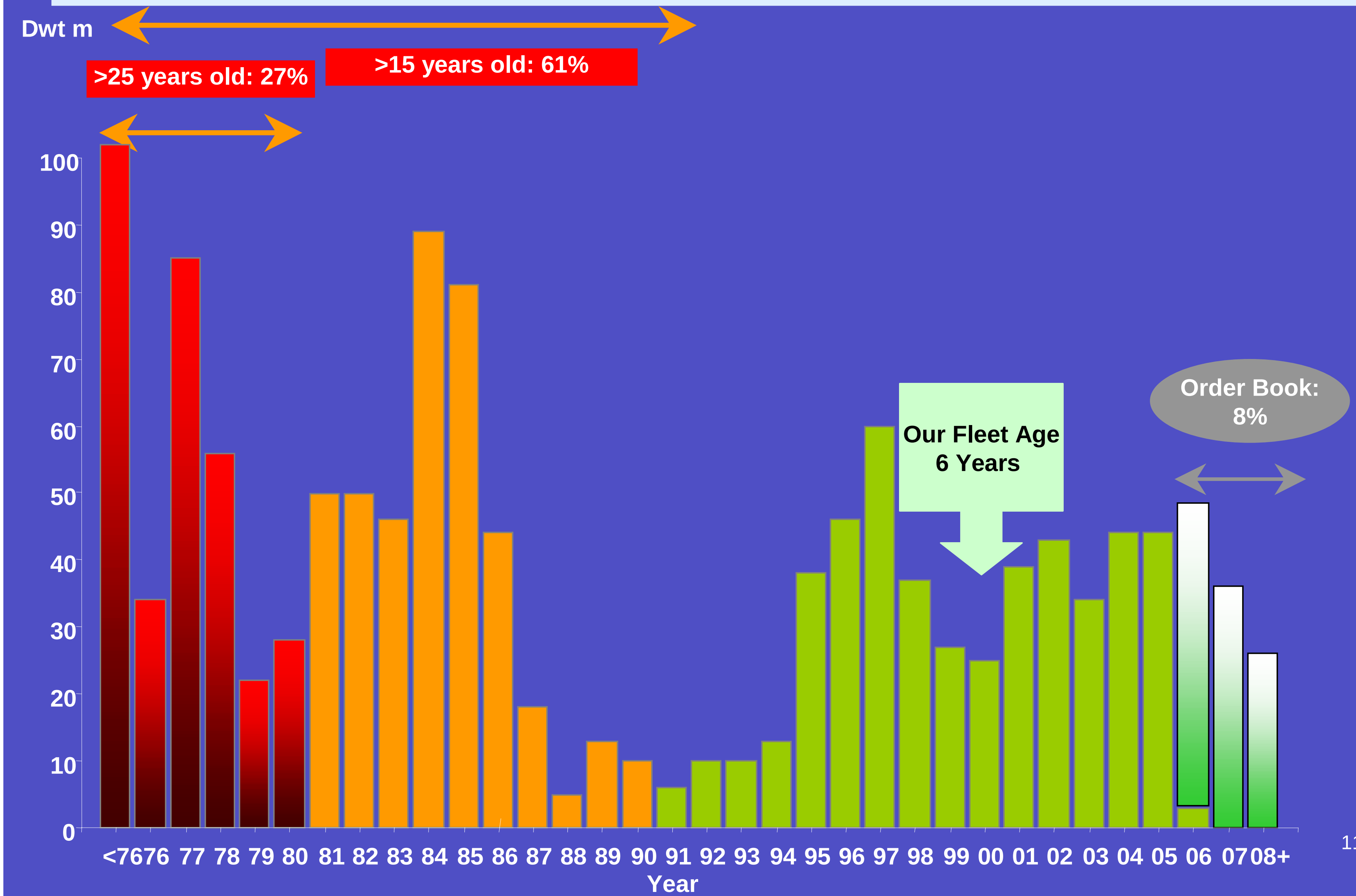


Source : Clarkson

Dry Bulk Scrapping



Supply: Age Profile of Global Handysize Fleet (within 25-35K segment)

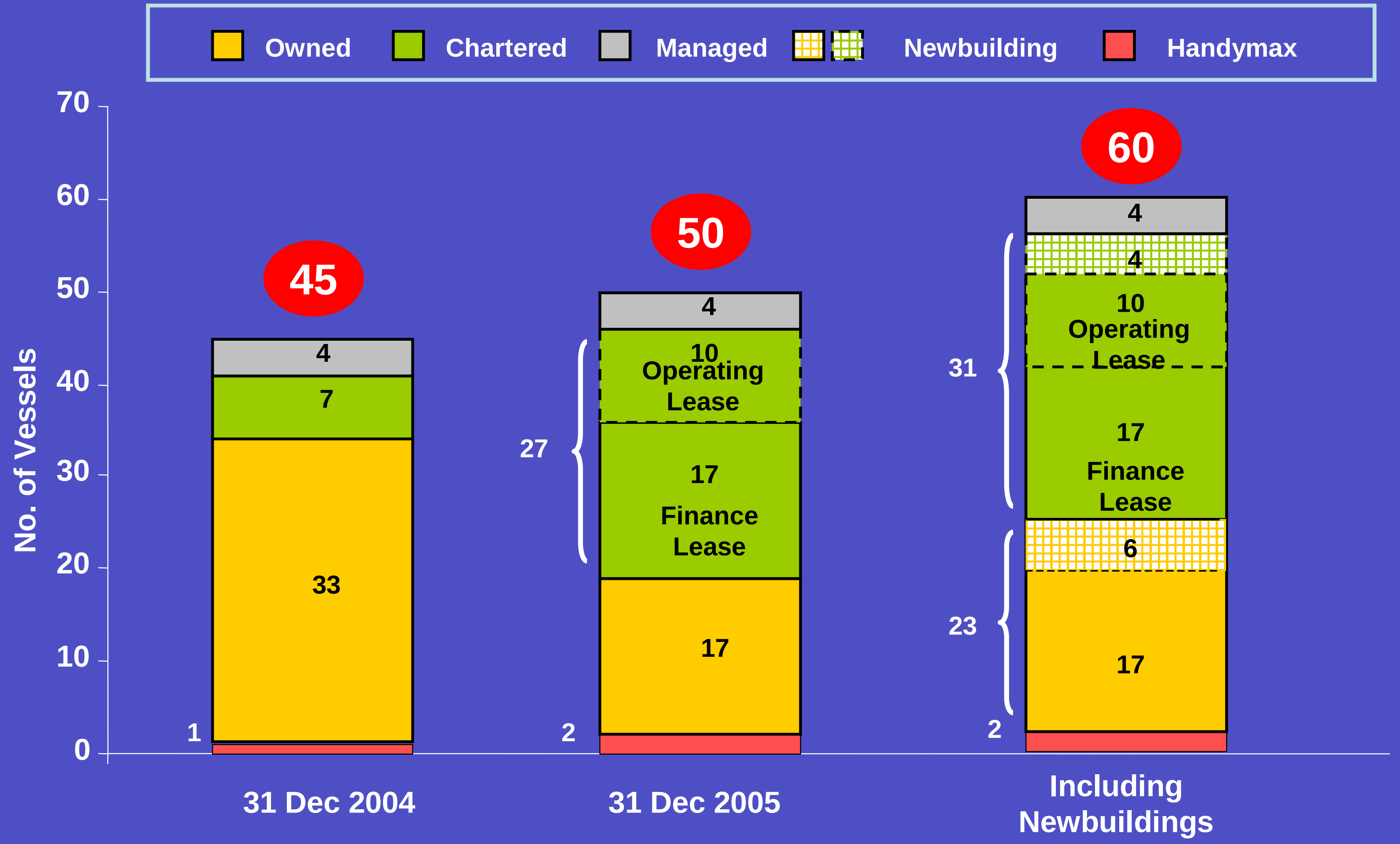


Summary

- Despite downward trend, rates were good all year
- Bigger ships suffered more than smaller ones
- Demand was very strong but new supply finally had an impact
- Expect 2006 to be a similar year of strong demand counter-balanced by growing supply
- Expect to see an increase in scrapping if rates are depressed
- Economic growth in China, India and Japan may provide upside surprises.

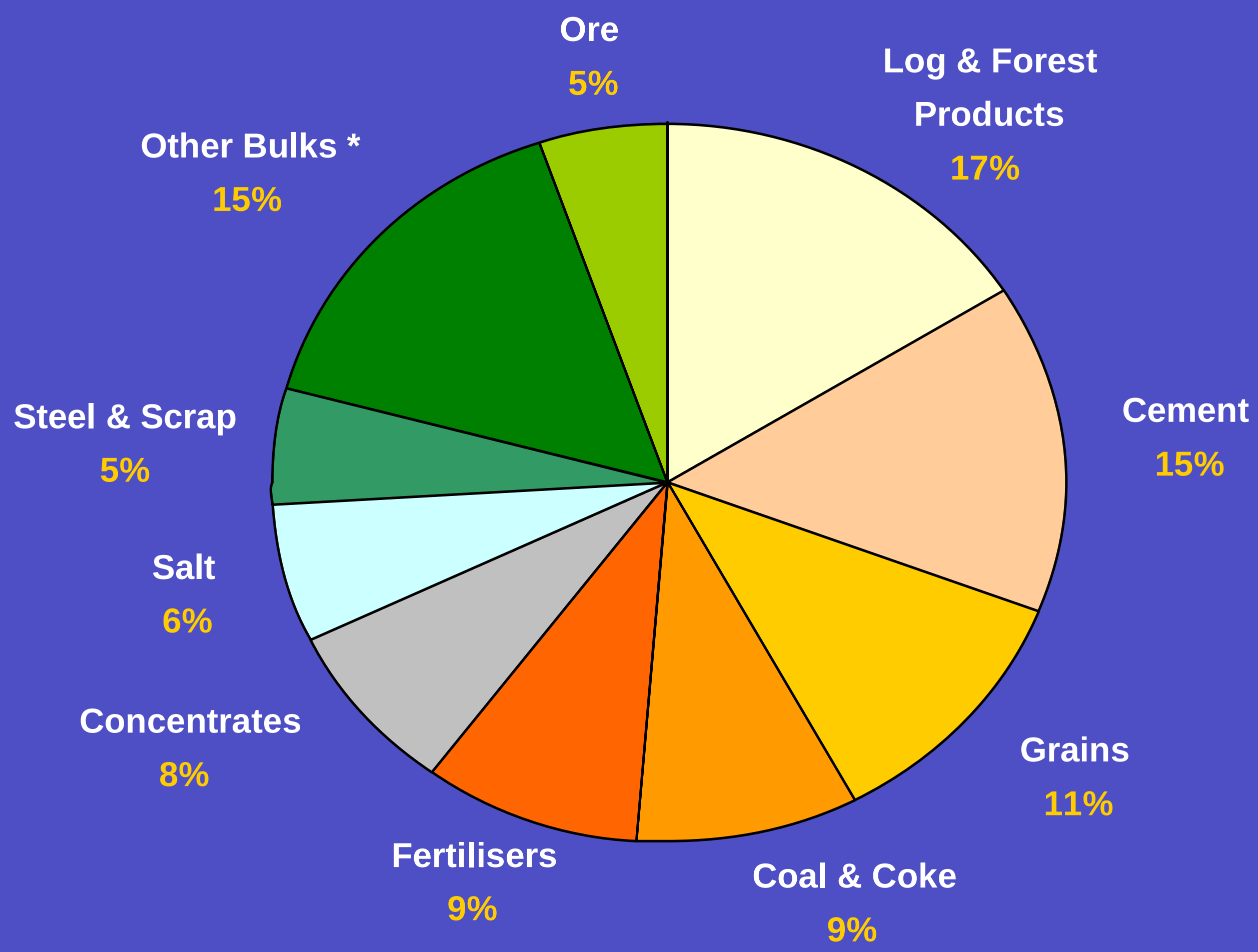
Business Review

Fleet



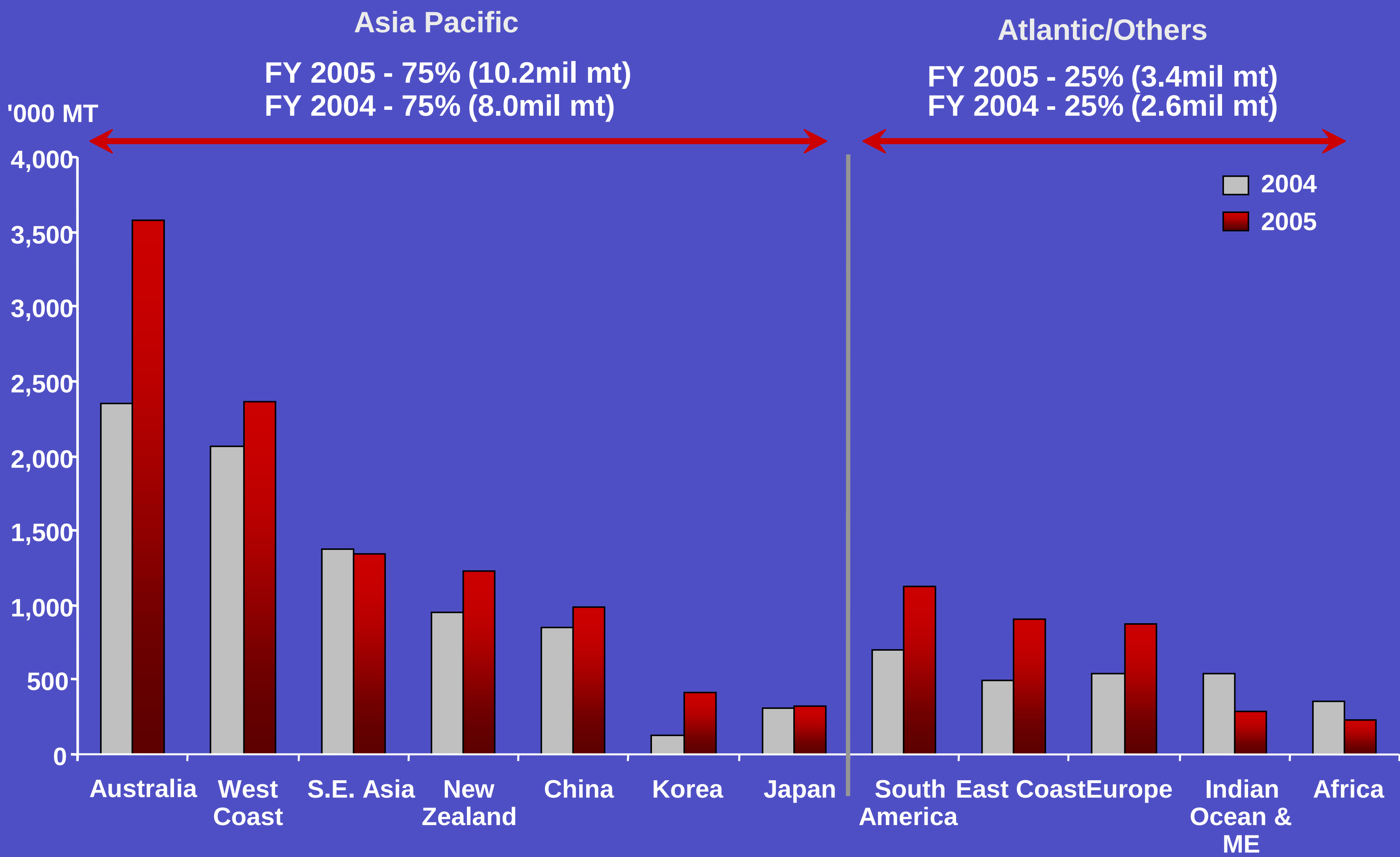
Owned
Chartered
Managed
Newbuilding
Handymax
No. of Vessels
70
60
50
40
30
20
10
0
45
4
7
33
1
50
4
10
Operating
Lease
27
17
Finance
Lease
17
2
60
4
4
10
Operating
Lease
31
17
Finance
Lease
6
23
17
2
31 Dec 2004
31 Dec 2005
Including
Newbuildings

Cargoes Carried



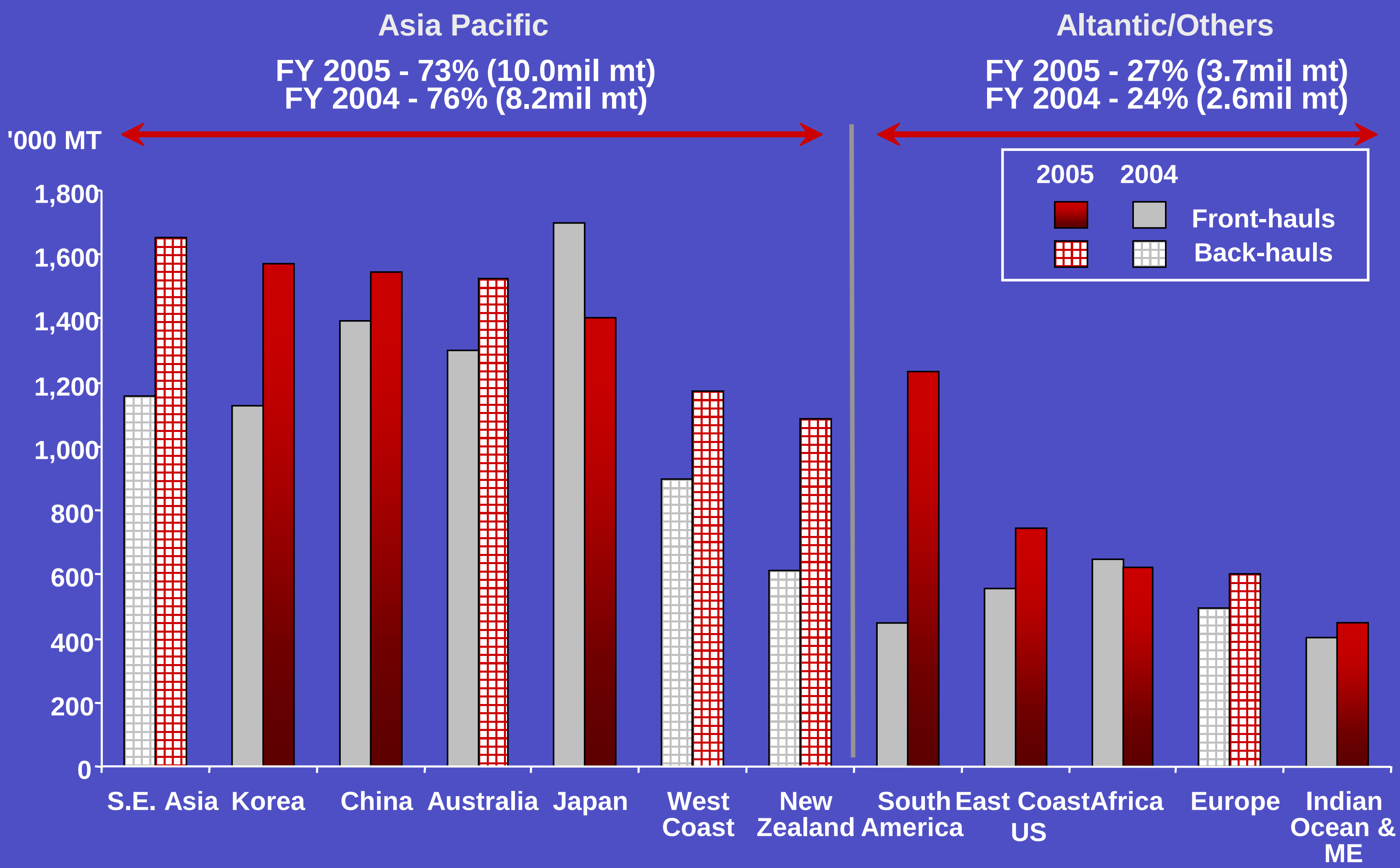
*** Includes Agriculture Products, Alumina, Soda Ash, Gypsum, Sands and other bulk products**

Load Areas



Asia Pacific
FY 2005 - 75% (10.2mil mt)
FY 2004 - 75% (8.0mil mt)
Atlantic/Others
FY 2005 - 25% (3.4mil mt)
FY 2004 - 25% (2.6mil mt)
'000 MT
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
2004
2005
Australia
West Coast
S.E. Asia
New Zealand
China
Korea
Japan
South America
East Coast
Europe
Indian Ocean & ME
Africa

Discharge Areas



Financial Review

Results - Highlights

	FY 2005	FY 2004
Turnover (US$mil)	433.7	302.2
Net profit (US$mil)	147.1	103.6
Earnings per share (US cents)	11.58	9.59
Dividends (HK cents per share)	65.00	24.00
Payout ratio	73%	56%
Handysize revenue days	14,200	9,900
Handysize TCE (US$/day)	17,100	17,900

Results - Analysis

US$mil	FY 2005
Reported net profit	147.1
Less net gains on disposal of vessels	(23.5)
Profit before disposal gains	123.6

Gains / (losses) arising from new accounting standards

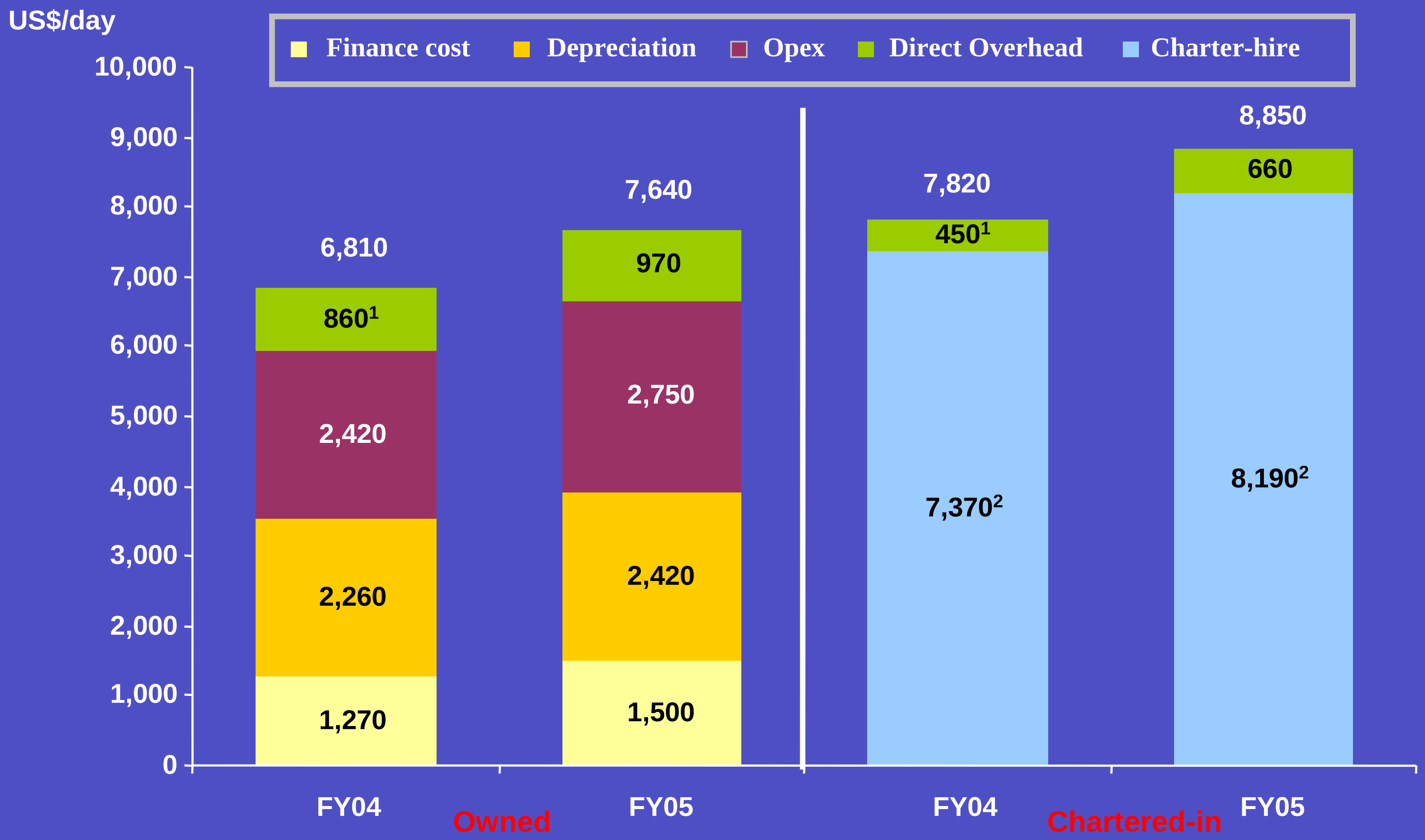
HKAS 39	Financial instruments	4.6
HKAS 16	Fixed assets	1.9
HKFRS 3	Goodwill not amortized	1.8
HKFRS 2	Share based payments	(4.0)
Total		4.3

Dividends

- Payout policy of not less than 50% of attributable profits
- Actual payout ratio has consistently exceeded the minimum dividend policy

		(per share)		
Year	**Dividend**	**US$mil**	**HK Cents**	**Payout Ratio**
2004 (A)	**Post listing**	**39.0**	**24**	**56%**
2005 (A)	**Interim (paid 4 Oct 05)**	**49.5**	**30**	
	Final (proposed)	**57.9**	**35**	
	Total for year	**107.4**	**65**	**73%**
2006 (E)	**Reasonable expectation for interim and final dividend to be at least HK cents 40 per share in aggregate**			

Daily Vessel Costs



Vessel Days	8,070	11,720	2,210	2,760
	79%	81%	21%	19%

[1]Adjusted for the 2004 reorganisation [2]Excluding Sea Bell

Balance Sheet - Highlights

(US$mil)

	FY 2005	FY 2004
Net book value of fixed assets *	504.3	544.1
Gross borrowings	316.9	370.1
Cash	83.7	47.7
Net borrowings	233.2	322.4
Shareholder's equity	309.3	232.6
Net borrowings / Fixed assets	46%	59%
Net borrowings / Shareholder's equity	75%	139%

*Insured value of delivered vessels (Mar06) US$746 mil

Cashflow - Highlights

US$mil

	2005	2004
Operating cash inflows	173.3	130.2
Investing cash in/(out) flows	24.7	(273.2)
- Payments for vessels	(121.2)	(274.4)
- Sales of vessels (incl. charterbacks)	139.5	-
- Others	6.4	1.2
Financing cash (out)/inflows	(157.5)	178.9
- Net (repayment) / drawdown of bank loans	(371.8)	188.4
- Cash from 17 vessels under finance leases	318.0	-
- Dividend paid	(88.5)	(49.8)
- Others	(15.2)	40.3
Cash at 31 December	83.7	47.7

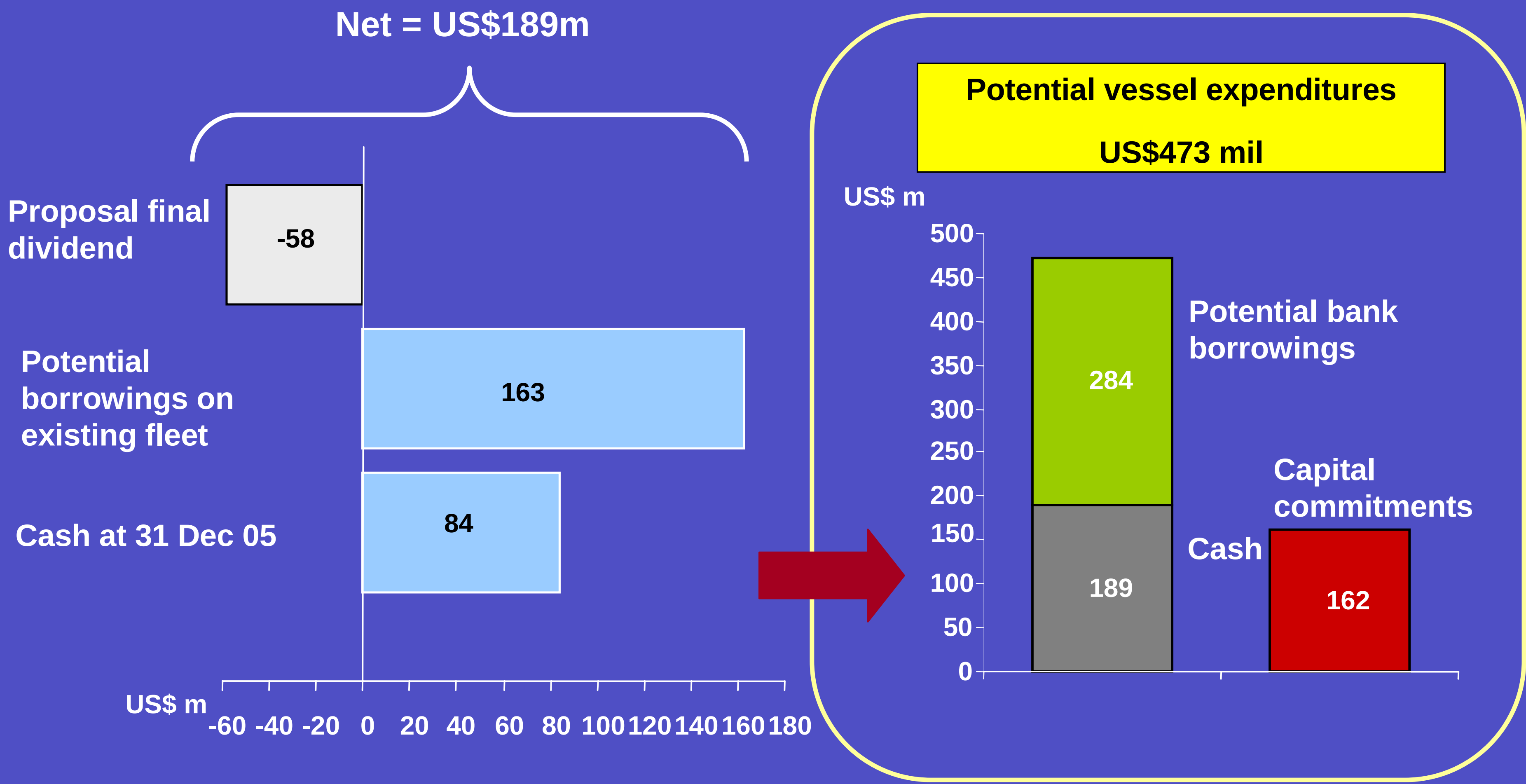
Capital & Lease Commitments

US$mil

At 31 December 2005

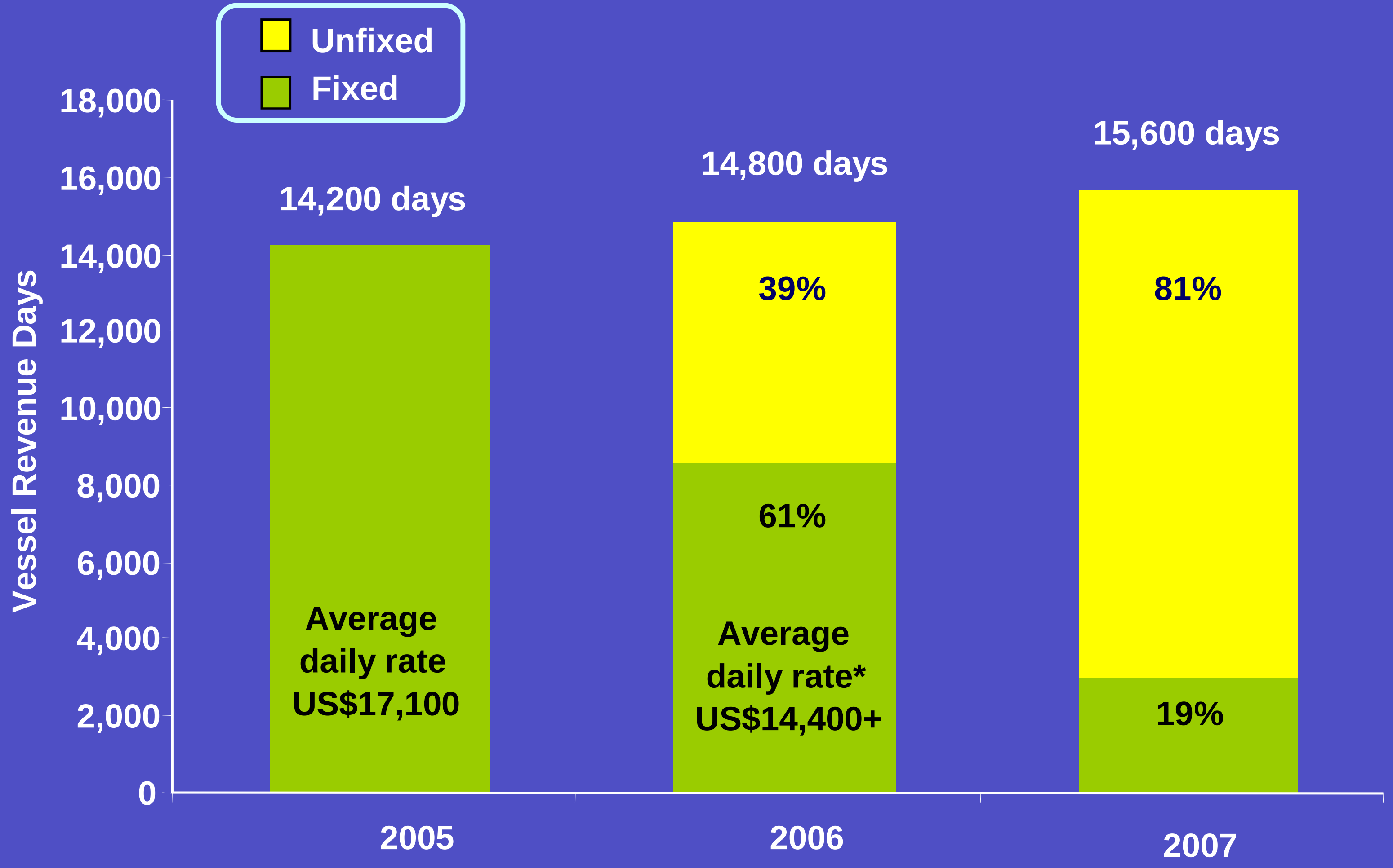
	< 1 yr	2-5 yrs	> 5 yrs	Total
Capital commitments				
7 Vessels	50.0	108.9	-	158.9
Others	2.6	-	-	2.6
Total commitments	52.6	108.9	-	161.5
Lease commitments				
Vessels chartered in under operating leases	52.8	129.6	40.7	223.1

Investment Capacity



Outlook & Prospects

Earnings Cover



*Includes US$1,000/day as an estimate of the uplift to be achieved above the basic contract rates from efficient cargo execution

Strategic Direction

- **Continue to build on core strengths:**
  - **Market leader in handysize with large, modern, uniform fleet**
  - **Freight services direct to blue chip customers**
  - **Efficient cargo execution to improve rates**
  - **Sound financial management**
  - **Strong dividend policy**

- **Expand the proven handysize business model into handymax to meet customer demand**

- **Develop business expansion initiatives and opportunities in China.**

Summary

- 2005 was another excellent year for dry bulk shipping, allowing us to achieve record profits
- High asset prices restricted fleet expansion but we maintained our position as the leading operator of modern handysize tonnage
- Sale and charter back programme has provided financial strength and flexibility
- 2006 likely to be similar to 2005 – strong underlying demand but vessel deliveries will hold rates to more moderate levels
- Handysize sector more robust given advanced age profile and small order book
- With 61% of revenue days covered, outlook for 2006 is optimistic

Disclaimer

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.