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**PB ISSUER (NO. 2) LIMITED (the “Issuer”)**  
*(incorporated in the British Virgin Islands with limited liability)*

**US\$230,000,000**  
**1.75% Guaranteed Convertible Bonds due 2016 (the “Bonds”)**  
**(Stock Code: 4319)**  
**convertible into ordinary shares of, and**  
**unconditionally and irrevocably guaranteed by**



**PACIFIC BASIN SHIPPING LIMITED (the “Guarantor”)**  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 2343)**

#### **ADJUSTMENT TO CONVERSION PRICE**

The Issuer and the Guarantor jointly announce that the Conversion Price will be adjusted from HK\$7.44 per Share to HK\$7.35 per Share with effect from 16 August 2011.

Reference is made to the announcements of the Guarantor dated 4 March 2010, 8 April 2010, 16 April 2010 and 13 April 2011. Unless otherwise defined here, terms used in this announcement shall have the meaning given to such terms in the Guarantor’s announcement dated 4 March 2010.

The Issuer and the Guarantor jointly announce that the Conversion Price will be adjusted from HK\$7.44 per Share to HK\$7.35 per Share with effect from 16 August 2011. Such adjustment is the result of the interim dividend of HK\$0.05 per Share for the year ending 31 December 2011 (the “**2011 Interim Dividend**”) to be paid on 29 August 2011 by the Guarantor.

The above adjustment to the Conversion Price shall become effective on the first date on which the Shares are traded ex-dividend for the determination of Shareholders entitled to receive the 2011 Interim Dividend. The above adjustment has been computed in accordance with the terms and conditions of the Bonds. Apart from the above adjustment, all the other terms of the Bonds remain unchanged.

This announcement also serves as a notification to the Bondholders in respect of the adjustment to the Conversion Price as per the terms and conditions of the Bonds.

By order of the Board of  
**Pacific Basin Shipping Limited**  
**Andrew T. Broomhead**  
*Director and Company Secretary*

Hong Kong, 16 August 2011

*As at the date of this announcement, the directors of the Issuer are Klaus Nyborg, Andrew Thomas Broomhead, Sainath Venkatrao and Mok Kit Ting Kitty.*

*As at the date of this announcement, the executive Directors of the Guarantor are David Muir Turnbull, Klaus Nyborg, Jan Rindbo, Andrew Thomas Broomhead and Wang Chunlin, the non-executive Director of the Guarantor is Richard Maurice Hext, and the independent non-executive Directors of the Guarantor are Robert Charles Nicholson, Patrick Blackwell Paul, Alasdair George Morrison and Daniel Rochfort Bradshaw.*