

## PAN OCEAN CO., LTD.

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### MANDATORY DISCLOSURE FOR DECISION ON PAID-IN CAPITAL INCREASE

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\* Company: Pan Ocean Co., Ltd

\* Chief Executive Officer : Choo, Sung Yob

\* Location: STX Namsan Tower, 98, Huamro, Jung-gu, Seoul, Korea

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Website) <http://www.panocean.com>

\* Person in charge:      Position) Executive Director      Name) Jung, Do Sik  
Tel) 82-2-316-5114

#### Decision on Paid-in Capital Increase

1. Number and Type of New Shares	Common Stock (shares)	1,505,135
	Preferred Stock (shares)	-
2. Par Value per Share (KRW)		1,000
3. Total Number of Issued Stock Before Capital Increase(shares)	Common Stock (shares)	522,919,935
	Preferred Stock (shares)	-
4. Purpose of Capital Increase	Facilities Fund (KRW)	-
	Operating Fund (KRW)	-
	Fund for Acquisition of Other Company's share (KRW)	-
	Other Funds (KRW)	-
5. Method of Capital Increase		Allotment to the 3 <sup>rd</sup> Party
6. Issuing Price per Share	Common Stock (KRW)	12,500
	Preferred Stock (KRW)	-
7. Discount Rate or Premium Rate against the standard share price (%)		-
8. Ground in Articles of Association Regarding Allotment to the 3 <sup>rd</sup> Party		Article 11 (Preemptive Right) Section 2, Number 9, "In the case of issuing new shares by converting claims for public interest, secured claims and unsecured claims into equity"
9. Payment Date for New Shares		30 September 2015

10. Record Date of Dividend Payout of New Shares		1 January 2015
11. Delivery Date of New Share Certificates		23 October 2015
12. Listing Date of New Shares		26 October 2015
13. Relevance to Backdoor Listing by Contribution in Kind		Not Applicable
- Presence of Contribution in Kind		Not Applicable
- Presence of Unlisted Company among Contribution Property Contribution in Kind		Not Applicable
- Contribution in Kind Price of Shares Scheduled to be Paid	Contribution in Kind Price (KRW)	-
	Ratio to Consolidated Total Asset of the Company of Immediately Preceding Business Year (%)	-
- Number of Shares to be Paid		-
14. Compliance with Backdoor Listing Requirement		Not Applicable
15. Date of Board Resolution (Decision Date)		23 September 2015
- Attendance of Independent Directors	Present (No.)	3
	Absent (No.)	1
- Attendance of members of Audit Committee		Present
16. If Required to Submit Securities Report		Not Applicable
17. Reason if Exempted from Submitting Securities Report, the Reason		According to Article 277 in 'DEBTOR REHABILITATION AND BANKRUPTCY ACT'; When the Debtor of a New Company issues shares or bonds, the Article 119 in 'FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT' is Not Applicable.
18. Subject to Reporting to Fair Trade Commission		Not Applicable

#### 19. Reference

- The payment date for new shares is the date of debt-to-equity conversion and there is no payment for the new shares in accordance with the revised rehabilitation plan.
- This debt-to-equity conversion is for the two kinds of creditors. The one is for those who had confirmed claim amount on the initial rehabilitation plan but not submitted identification document

to Pan Ocean in the previous debt-to-equity period and the other is for those who has confirmed claim amount after the approval of revised rehabilitation plan from the Court on 12th June 2015.

- Issuing price per a share was decided to KRW 12,500 according to the 2<sup>nd</sup> share consolidation(ratio 10:1) on the initial rehabilitation plan and another share consolidation(ratio 1.25:1) on the revised rehabilitation plan.
- The fractional shares less than 1 share accrued from the paid-in capital increase will be nullified pursuant to the revised rehabilitation plan.
- For the creditors who submitted the identification documents, the debt-to-equity conversion might be reserved this time due to disqualifications and proceed separately upon the BOD's approval after qualified identification documents being acquired.

[Ground for Allotment to the 3<sup>rd</sup> Party and the Purpose]

Article of Association as Ground for Allotment to the 3 <sup>rd</sup> Party	Purpose of Allotment to the 3 <sup>rd</sup> Party
Article 11 (Preemptive Right) Section 2, Number 9, “In the case of issuing new shares by converting claims for public interest, secured claims and unsecured claims into equity”	Financial Structure Improvement

[Details of 3<sup>rd</sup> Party Selection, Transaction, Allotted Shares by each 3<sup>rd</sup> Party for Allotment]

3 <sup>rd</sup> Party for Allotment	Relations with the Company or Major Shareholder	Reason for Selection	Transaction History and Plan before and after Decision of Capital Increase	Allotted Shares(No.)	Others
KEB HANA BANK	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	1,337,164	-
DEUTSCHE BANK AG,LONDON BRANCH	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	81,053	-
KLEIMAR LTD.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	18,868	-
ALFONSINO SHIPPING LIMITED	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	16,227	-
SINOTRANS SHIPPING CHARTERING INC.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	14,724	-

<b>3<sup>rd</sup> Party for Allotment</b>	<b>Relations with the Company or Major Shareholder</b>	<b>Reason for Selection</b>	<b>Transaction History and Plan before and after Decision of Capital Increase</b>	<b>Allotted Shares(No.)</b>	<b>Others</b>
DONG FANG INTERNATIONAL ASSET MANAGEMENT LIMITED	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	12,055	-
DARNLEY MARITIME INC.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	9,351	-
ACEAMERICAN INSURANCE	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	5,498	-
OLDENDORFF GMBH & CO.,KG	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	5,150	
OLDENDORFF CARRIERS GMBH & CO. KG	Creditor of Unsecured Claims	Debt-to-Equity Conversion		3,709	
YANG MING MARINE TRANSPORT CORPORATION	Creditor of Unsecured Claims	Debt-to-Equity Conversion		1,201	
BULKHAUL KOREA	Creditor of Unsecured Claims	Debt-to-Equity Conversion		135	

BY ORDER OF THE COMPANY

Lotus Isabella Lim Mei Hua  
Company Secretary

Date: 1 October 2015