

PAN OCEAN CO., LTD.

MANDATORY DISCLOSURE FOR DECISION ON PAID-IN CAPITAL INCREASE

* Company: Pan Ocean Co., Ltd

* Legal Administrator: You Sik Kim

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

Tel) 82-2-316-5114

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

* Person in charge: Position) Executive Director Name) Bo Yeon Kim

Tel) 82-2-316-5114

Decision on Paid-in Capital Increase

1. Number and Type of New Shares	Common Stock (shares)	757,844
	Preferred Stock (shares)	-
2. Par Value per Share (KRW)		1,000
3. Total Number of Issued Stock Before Capital Increase(shares)	Common Stock (shares)	227,803,041
	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 rd Party
6. Issuing Price per Share	Common Stock (KRW)	10,000
	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 rd 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		31 March 2015

10. Record Date of Dividend Payout of New Shares		1 January 2015
11. Delivery Date of New Share Certificates		28 April 2015
12. Listing Date of New Shares		29 April 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)		13 April 2015
- Attendance of Independent Directors	Present (No.)	-
	Absent (No.)	-
- Attendance of Auditors		-
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 Public Limited Company or 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

- As the Company received the ruling from Seoul Central District Court ("the Court") on the approval of the rehabilitation plan on 22nd November 2013 in accordance with 'DEBTOR REHABILITATION AND BANKRUPTCY ACT', the board of directors and the general meeting of shareholders substitute by the Court ruling.

- The decision date above is the date of the receipt of the Court’s approval.
- The payment date for new shares is the date of debt-to-equity conversion and there is no payment for the new shares.
- This debt-to-equity conversion is for the two kinds of creditors. The one is for those who had confirmed claim amount on the 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 rehabilitation plan from the Court on 22nd November 2013. The total shares for this debt-to-equity are 757,844.
- Issuing shares for the confirmed claim amount on the rehabilitation plan are 39,178 through 2nd share consolidation and the effective date is 27 December 2013 according to the rehabilitation plan.
- Issuing price per a share for the confirmed claim amount after the approval of rehabilitation plan was decided to KRW 10,000 according to the 2nd share consolidation on the rehabilitation plan. Issuing shares are 718,666 and the effective date is 1April 2015 according to the rehabilitation plan.
- The fractional shares less than 1 share accrued from the paid-in capital increase will be nullified.
- For the creditors who didn’t submit the identification documents, the debt-to-equity conversion will be reserved this time and proceed separately upon the Court’s approval after the identification documents being acquired.
- In case the largest shareholder is changed due to debt-to-equity conversion, safeguard deposit of 6 months is required. In this case, no safeguard deposit is needed since the largest shareholder will remain unchanged after this debt-to-equity conversion.

[Ground for Allotment to the 3rd Party and the Purpose]

Article of Association as Ground for Allotment to the 3rd Party	Purpose of Allotment to the 3rd 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 top 10 of 20, 3rd Party Selection, Transaction, Allotted Shares by each 3rd Party for Allotment]

3rd 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
MERRILL LYNCH INTERNATIONAL	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	595,924	-
MAR ROAD SHIPPING CO. LTD	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	53,366	-
STRATEGIC BULK CARRIERS INC.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	19,311	-
EP-TEAM, INC.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	16,836	-
KAPITALANLAGEGESELLSCHAFT MBH ON BEHALF OF PIONEER INVESTMENT GLOBAL	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	15,453	-
WOORI BANK	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	14,085	-
RICS SHIPPING CO., LTD	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	12,829	-
KOREA LINE CORP.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	7,379	-
NORDANA A/S	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	5,038	-
SOCIETA' COMMERCIALE E FINANZIARIA S.R.L.	Creditor of Unsecured Claims	Debt-to-Equity Conversion	-	4,943	-

BY ORDER OF THE COMPANY

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 13 April 2015