

**For Immediate Release**

**PACIFIC SHIPPING TRUST CONTINUES TO PERFORM WELL IN Q4 FY2009**

- Gross Revenue up 8% and 39% for Q4 FY2009 and FY2009 respectively
- Full Year 2009 Distributable Income up 46%
- Tax-free annual yield is approximately 13.1% <sup>(1)</sup>
- PST encouraged by CSAV's capital restructuring

	Q4 FY2009 (US\$'000)	Q4 FY2008 (US\$'000)	Increase/ (Decrease) %	FY2009 (US\$'000)	FY2008 (US\$'000)	Increase/ (Decrease) %
Gross Revenue	15,628	14,528	8	61,957	44,637	39
Net Profit After Tax	7,133	6,347	12	27,400	18,335	49
Income Available for Distribution	7,010	6,277	12	27,074	18,498	46
Income to be Distributed	4,877	5,485	(11)	21,319	16,134	32
Cash Flow from Operating Activities	14,302	11,266	27	54,395	40,750	33

**SINGAPORE, JANUARY 20, 2010** – PST Management Pte. Ltd. (“PSTM”), as Trustee-Manager of Pacific Shipping Trust (“PST”), Singapore’s first publicly-listed business trust, will distribute 0.827 US cents per unit to Unitholders for the fourth quarter ended 31 December, 2009 (“Q4 FY2009”). Together with distributions of 2.788 US cents in the first three quarters, PSTM Unitholders will have received a total of 3.615 US cents, representing an annual yield of 13.1% <sup>(1)</sup>.

**Review of Financial Performance**

Gross revenue grew 8% to US\$15.6 million from the corresponding quarter in the previous year (“Q4 FY2008”) at US\$14.5 million, boosted by full quarter contributions from CSAV Lauca which was delivered in November 2008.

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<sup>(1)</sup> Based on unit price of US\$0.275 as at January 20, 2010 Closing Price

Correspondingly, Net Profit after Tax in Q4 FY2009 rose 12% to US\$7.1 million from US\$6.3 million in Q4 FY2008.

Net cash generated from operations grew 27% to US\$14.3 million in Q4 FY2009.

For FY2009, gross revenue grew 39% to US\$62.0 million from US\$44.6 million in the previous year. Net profit rose 49% to US\$27.4 million, while distributable income increased 46% to US\$27.1 million.

In line with PST's revised distribution policy announced in July 2009 to strengthen PST's cash position in anticipation of favourable investment opportunities arising in the next 12 to 18 months, the Trust is paying out approximately 70% of its distributable income to Unitholders. The total amount to be distributed to Unitholders in Q4 FY2009 will be US\$4.9 million. On an annual basis, income to be distributed is up 32% from FY2008. Compared to the corresponding quarter in 2008, income to be distributed dropped by 11% for Q4 FY2009 due to the revised distribution policy.

Mr Teo Choo Wee, Acting CEO of PSTM commented: "Our growth strategy has not changed and we will continue to actively explore various avenues to diversify our vessel portfolio. By conserving our cash through income retention, PST would be able to undertake value-accretive acquisitions, while still maintaining a prudent financial management strategy. This balanced growth approach should deliver sustainable payback for our unitholders in the long run."

### **Update of Recent Developments with CSAV**

One of PST's charterers, Compania Sud Americana de Vapores S.A. ("CSAV"), recently completed its second equity fund-raising of US\$265 million. The company also obtained shareholders' approval for its third equity offering. The capital raising exercise has improved the financial position of CSAV. Standard & Poors, one of the world's leading credit rating agencies, has recognised CSAV's improved financial standing and removed it from its negative watch list. The completion of its third equity offering should further bolster its financial strength.

"We are encouraged by the capital restructuring at CSAV and look forward to the completion of the third equity offering which we understand has the support of CSAV's German ship owners. The improvement of their financial position can only be good for us," said Mr Teo.

CSAV is the 11<sup>th</sup> largest container company in the world and the largest shipping company in Latin America.

## **Outlook**

The global economy appears poised for a gradual recovery after the sharp recession last year. Although developed economies such as the US and Europe are not expecting a strong return in end consumer demand, we are hopeful that the gap will be filled by demand from emerging markets, such as China, India and Brazil. The expected recovery in global trade will likely boost demand for shipping.

Said Mr Teo: "We are cautiously optimistic that, if the global recovery continues on its current trajectory, demand for ships will begin to pick up. We are constantly on the lookout for potential acquisitions that meet our investment criteria and add value to our unitholders. With our current cash position, we are well-placed to capture growth opportunities."

The Books Closure Date is January 28, 2010 and payment to Unitholders of 0.827 US cent per Unit distribution will be made on March 1, 2010.

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## **About Pacific Shipping Trust**

Pacific Shipping Trust is the first business trust listed on the SGX-ST. It provides structured financing solutions to established shipping companies, thereby generating visible and stable cashflow stream through long-term charters. By acquiring vessels and leasing them to reputable charterers on long-term bareboat or time charters, PST seeks to generate a steady stream of high-yielding income for its Unitholders.

The trustee-manager of PST is PST Management Pte. Ltd., a wholly-owned subsidiary of Pacific International Lines (Private) Limited, one of the biggest container shipping companies in the world.

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**Important Notice**

The value of PST units (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PST may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of PST is not necessarily indicative of the future performance of PST.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of charter income, changes in operating expenses (including employee wages, benefits and training costs) and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager’s view of future events.