



(A business trust constituted on 25 April 2006 under the laws of the Republic of Singapore)

Managed by PST Management Pte. Ltd.

PACIFIC SHIPPING TRUST

Financial Statements Announcement For The Period From 25 April 2006 to 31 December 2006

These financial statements for the period from 25 April 2006 to 31 December 2006 have not been audited but have been reviewed by our auditors.

Pacific Shipping Trust ("PST") is a business trust constituted by the Trust Deed entered on 25 April 2006 by PST Management Pte. Ltd. as the trustee-manager of PST. PST was listed on the Singapore Exchange Securities Trading Limited ("SGX") on 26 May 2006.

As at 31 December 2006, PST owned eight container vessels which were chartered to Pacific International Lines (Private) Limited on bareboat basis for the tenure of eight to 10 years.

Where appropriate, comparisons were made against prorated forecast figures for the period ended 31 December 2006 as disclosed in the prospectus for the initial public offering of PST dated 19 May 2006 ("the Prospectus") for the period from 1 April 2006 to 31 December 2006 ("the Forecast").

Unless otherwise stated, all capitalized terms used in this announcement shall have the same meaning as the Prospectus.

DBS Bank is the financial adviser, underwriter and bookrunner for the initial public offering of Pacific Shipping Trust

Financial Statements Announcement
For the period from 25 April to 31 December 2006

1(a) Income Statement

	Notes	Actual 01/10/06 to 31/12/06 Note (a) US\$'000	Actual 25/04/06 to 31/12/06 Note (a) US\$'000
Gross revenue	(b)	8,703	20,717
Interest income		121	249
Depreciation		(3,219)	(7,719)
Management fee		(348)	(828)
Other trust expenses		(121)	(314)
Borrowing costs	(c)	(1,846)	(4,465)
Fair value gains/(losses) on derivatives	(d)	160	(775)
Net profit before tax		3,450	6,865
Income tax expense	(e)	(17)	(43)
Net profit after tax		3,433	6,822

Footnotes:

- (a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution).
- (b) Consists of bareboat charter income from the existing eight container vessels.
- (c) The borrowing costs incurred relate to net interest expense on bank loans and interest rate swaps.
- (d) This relates to the net change in fair value on the interest rate swaps for the period and does not impact the income to be distributed.
- (e) This relates to tax payable on the taxable interest income on bank deposits.

Distribution Statement

	Notes	Actual 01/10/06 to 31/12/06 US\$'000	Actual 25/04/06 to 31/12/06 US\$'000
Net profit after tax		3,433	6,822
Add: Non-tax deductible items	(a)	3,065	8,523
Less: Repayment of borrowings		(2,875)	(6,869)
Income available for distribution		3,623	8,476
Less: Income to be retained for working capital	(b)	(104)	(104)
Income to be distributed		3,519	8,372
(i) Tax-exempt income		3,519	8,270
(ii) Tax-exempt (one-tier) income	(c)	-	102
Income to be distributed		3,519	8,372

Financial Statements Announcement
For the period from 25 April to 31 December 2006

Footnotes:

- (a) Includes the fair value gains on derivatives which are unrealised and accordingly, net off against the other non-tax deductible items, such as depreciation and trustee fee, and added back to the net profit.
- (b) This relates to net taxable income to PST not required to be distributed under the distribution policy of PST.
- (c) This relates to interest income which does not enjoy full tax exemption and is subject to tax at the prevailing corporate tax rate.

1(b)(i) Balance sheet as at 31 December 2006

	Notes	Actual 31/12/06 Note (a) US\$'000
Non-current asset		
Container vessels	(b)	263,281
Current assets		
Other receivables		52
Cash and cash equivalents		8,648
		8,700
Total assets		271,981
Non-current liability		
Bank loans	1(b)(ii)	(108,790)
Current liabilities		
Charter income received in advance	(c)	(1,987)
Bank loans	1(b)(ii)	(11,501)
Other payables		(249)
Tax payable		(43)
Derivative liabilities	(d)	(775)
		(14,555)
Total liabilities		(123,345)
Net assets attributable to unitholders		148,636
Unitholders' funds		
Units in issue		151,650
Unit issue costs		(4,983)
Accumulated profits		1,969
Total unitholders' funds		148,636

Footnotes:

- (a) No comparative balance sheet has been presented as PST was formed on 25 April 2006 (date of constitution).
- (b) The container vessels were acquired on 26 May 2006 which is the listing date on SGX.
- (c) Charter income is payable 30 days in advance according to the charterparty of the container vessels.
- (d) The derivative liabilities relate to the fair value of interest rate swaps transacted to manage the interest rate risk on the bank loans.

Financial Statements Announcement
For the period from 25 April to 31 December 2006

1(b)(ii) Aggregate amount of borrowings

	Note	Actual 31/12/06 US\$'000
Secured bank loans	(a)	
Amount repayable within one year		11,501
Amount repayable after one year		108,790
		120,291

Footnotes:

- (a) PST has drawn down US\$127.0 million of its secured term loan facilities as at 26 May 2006. Monthly repayment of the term loans are made over 10 or 12 years. The term loans bear interest at floating rates.

PST has entered into interest rate swaps to fix the floating interest rates on the term loans at a weighted average rate of 5.97% per annum commencing 30 June 2006.

The term loans and interest rate swaps in relation to each relevant vessel are secured on the following:

- a first priority mortgage;
- a first priority assignment of insurances;
- a first priority assignment of the charter income; and
- a first priority assignment of the bareboat charter agreement.

The security for an interest rate swap facility granted by a financial institution in relation to a vessel, Kota Rajin, is as follows:

- a second priority mortgage;
- a second priority assignment of insurances;
- a second priority assignment of the charter income; and
- a second assignment of the bareboat charter agreement.

Financial Statements Announcement
For the period from 25 April to 31 December 2006

1(c) Cash flow statement

	Actual 01/10/06 to 31/12/06 Note (a)	Actual 25/04/06 to 31/12/06 Note (a)
	US\$'000	US\$'000
Operating activities		
Net profit before tax	3,450	6,865
Adjustments for		
Interest income	(121)	(249)
Depreciation	3,219	7,719
Borrowing costs	1,846	4,465
Fair value (gains)/losses on derivatives	(160)	775
Operating profit before working capital changes	8,234	19,575
Changes in working capital		
Other receivables	241	(26)
Charter income received in advance	(189)	1,987
Other payables	(13)	249
Cash flows from operating activities	8,273	21,785
Investing activities		
Purchase of container vessels	-	(271,000)
Interest received	132	223
Cash flows from investing activities	132	(270,777)
Financing activities		
Proceeds from bank loans	-	127,000
Repayment of bank loans	(2,875)	(6,709)
Borrowing costs paid	(1,846)	(4,465)
Proceeds from issuance of units	-	151,650
Unit issue costs paid	-	(4,983)
Distribution paid to Unitholders	(4,853)	(4,853)
Cash flows from financing activities	(9,574)	257,640
Net (decrease)/increase in cash and cash equivalents	(1,169)	8,648
Cash and cash equivalents at beginning of the period	9,817	-
Cash and cash equivalents at end of the period	8,648	8,648

Footnotes:

- (a) There was no comparative cash flow statement as at 31 December 2005 as PST was formed on 25 April 2006 (date of constitution).

Financial Statements Announcement
For the period from 25 April to 31 December 2006

1(d)(i) Statement of movements in unitholders' funds for the period from 25/04/06 to 31/12/06 (Note (a))

	Units in Issue	Issue Costs	Accumulated Profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000
On date of constitution	-	-	-	-
Units issued	151,650	-	-	151,650
Unit issue costs	-	(5,305)	-	(5,305)
Net profit after tax	-	-	3,358	3,358
Balance as at 30/06/06	151,650	(5,305)	3,358	149,703
Unit issue costs	-	324	-	324
Net profit after tax	-	-	31	31
Balance as at 30/09/06	151,650	(4,981)	3,389	150,058
Unit issue costs	-	(2)	-	(2)
Distribution paid	-	-	(4,853)	(4,853)
Net profit after tax	-	-	3,433	3,433
Balance as at 31/12/06	151,650	(4,983)	1,969	148,636

Footnotes:

- (a) Prior period comparatives as at 31 December 2005 are not available as PST was formed on 25 April 2006 (date of constitution) and was listed on SGX on 26 May 2006.

1(d)(ii) Details of any changes in the units

	Actual 01/10/06 to 31/12/06 Units	Actual 25/04/06 to 31/12/06 Units
At the beginning of the period	337,000,000	-
Units issued during the period - Initial public offering	-	337,000,000
At end of the period	337,000,000	337,000,000

Financial Statements Announcement
For the period from 25 April to 31 December 2006

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited but have been reviewed by the auditors in accordance with the Singapore Statement of Auditing Practice 11 "Review of Interim Financial Information".

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see the attached review report.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Not applicable

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6 Earnings per unit ('EPU') and distribution per unit ('DPU') for the financial period

	Actual 01/10/06 to 31/12/06	Forecast 01/10/06 to 31/12/06	Actual 25/04/06 to 31/12/06	Forecast 26/05/06 to 31/12/06
Notes				
Weighted average number of units (a)	337,000,000	337,000,000	337,000,000	337,000,000
Earnings per unit for the period based on the weighted average number of units in issue (cents) -basic and diluted	1.02	0.95	2.02	2.27
Number of units issued at end of period	337,000,000	337,000,000	337,000,000	337,000,000
Distribution per unit for the period (cents)				
(i) Tax-exempt income	1.04	1.02	2.45	2.43
(ii) Tax-exempt (one-tier) income	-	-	0.03	-

Footnotes:

- (a) The weighted average number of units is weighted for the period from 26 May 2006 (the listing date) to 31 December 2006.
- (b) The figures shown are pro-rated from the Forecast disclosed in the Prospectus.

Financial Statements Announcement
For the period from 25 April to 31 December 2006

7 Net asset value ("NAV") per unit based on units issued at the end of the period

	Notes	Actual 31/12/06 Note (a)
Net asset value per unit (US\$)	(b)	0.44

Footnotes:

- (a) Prior period comparatives are not available as PST was formed on 25 April 2006 (date of constitution) and was listed on SGX on 26 May 2006.
- (b) The number of units used for computation of actual NAV per unit is 337,000,000 which is the number of units in issue as at 31 December 2006.

8 Review of the performance

Please refer to section 9(b) on the review of actual against the prorated Forecast disclosed in the Prospectus for the period ended 31 December 2006.

9(a) Income and Distribution Statements

Income Statement

	Notes	Actual 01/10/06 to 31/12/06	Forecast 01/10/06 to 31/12/06 Note (a)	Increase/ Decrease	Actual 25/04/06 to 31/12/06	Forecast 26/05/06 to 31/12/06 Note (a)	Increase/ Decrease
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross revenue	(b)	8,703	8,703	0%	20,717	20,717	0%
Interest income		121	-	NM	249	-	NM
Depreciation		(3,219)	(3,106)	4%	(7,719)	(7,394)	4%
Management fee		(348)	(348)	0%	(828)	(828)	0%
Other trust expenses		(121)	(180)	-33%	(314)	(428)	-27%
Borrowing costs	(c)	(1,846)	(1,853)	0%	(4,465)	(4,411)	1%
Fair value (gains)/losses on derivatives	(d)	160	-	NM	(775)	-	NM
Net profit before tax		3,450	3,216	7%	6,865	7,656	-10%
Income tax expense	(e)	(17)	-	NM	(43)	-	NM
Net profit after tax		3,433	3,216	7%	6,822	7,656	-11%

Distribution Statement

	Notes	Actual 01/10/06 to 31/12/06	Forecast 01/10/06 to 31/12/06 Note (a)	Increase/ Decrease	Actual 25/04/06 to 31/12/06	Forecast 26/05/06 to 31/12/06 Note (a)	Increase/ Decrease
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Net profit after tax		3,433	3,216	7%	6,822	7,656	-11%
Add: Non-tax deductible items	(f)	3,065	3,119	-2%	8,523	7,426	15%
Less: Repayment of borrowings		(2,875)	(2,896)	-1%	(6,869)	(6,894)	0%
Income available for distribution		3,623	3,439	5%	8,476	8,188	4%
Less: Income to be retained for working capital	(g)	(104)	-	NM	(104)	-	NM
Income to be distributed		3,519	3,439	2%	8,372	8,188	2%
(i) Tax-exempt income		3,519	3,439	2%	8,270	8,188	1%
(ii) Tax-exempt (one-tier) income	(h)	-	-	NM	102	-	NM
Income to be distributed		3,519	3,439	2%	8,372	8,188	2%

Financial Statements Announcement
For the period from 25 April to 31 December 2006

Footnotes:

NM- Not meaningful

- (a) The forecast figures are derived by prorating the Forecast disclosed in the Prospectus for the period from 26 May 2006 to 31 December 2006.
 - (b) Consists of bareboat charter income from the existing eight container vessels.
 - (c) The borrowing costs incurred relate to net interest expense on bank loans and interest rate swaps.
 - (d) This relates to the net change in fair value on the interest rate swaps for the period and does not impact the income to be distributed.
 - (e) This relates to tax payable on the taxable interest income on bank deposits.
 - (f) Includes the fair value gains/losses on derivatives which are unrealised and accordingly, included together with other non-tax charge/deductible items such as depreciation and trustee fee.
 - (g) This relates to net taxable income to PST not required to be distributed under the distribution policy of PST.
 - (h) This relates to interest income on bank deposits which does not enjoy full tax exemption and is subject to tax at the prevailing corporate tax rate.
- 9(b) Review of performance for the quarter ended 31 December 2006 (the "Q4") and for the period from 25 April 2006 to 31 December 2006 (the "financial period")**

The Q4 gross revenue at US\$8.7 million and US\$20.7 million for the financial period (approx. 7 months) were consistent with the Forecast. This was derived from the bareboat charter income of the existing eight container vessels, which have been contracted up to an average of about 9 years.

Interest income of US\$0.12 million and US\$0.25 million for 4Q and for the financial period respectively, were derived from deposits placed with banks for efficient cashflow management.

Depreciation was higher than Forecast by 4% because the Forecast was based on remaining useful lives rounded to years.

Borrowing costs at US\$1.8 million for Q4 and US\$4.5 million for the financial period were fixed at a rate of 5.97% p.a. via interest rate swaps which commenced from 30 June 2006.

Other trust expenses for Q4 at US\$0.12 million were lower than the Forecast by 33% due to stringent cost management. For the financial period, other trust expenses at US\$0.31 million were lower than the Forecast by 27%.

Net profit after tax of US\$3.4 million for Q4 was higher than the Forecast by 7% mainly due to the fair value gains of US\$0.16 million. This favourable variance arose because of the positive net change in fair value of the interest rate swaps during this quarter. However, net profit after tax of US\$6.8 million for the financial period was lower than the Forecast by 11%. This was mainly because the net change in fair value of the interest rate swaps during the financial period resulted in a loss totalling US\$0.78 million. The Forecast had assumed no change in the fair value of the derivatives. These fair value gains will not impact the income to be distributed.

Financial Statements Announcement
For the period from 25 April to 31 December 2006

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The global container ship fleet continued to operate close to full utilisation. At the end of the 4th quarter 2006, there were a total of 2,851 fully cellular container vessels over 1000 teu in size, operating globally. Amongst these only 4 ships were not employed due to various reasons, ie. breakdown, repairs or awaiting employment. This is equivalent to 99.8% of the fleet (exceeding 1000 teu size) being fully employed.¹

However, the decline in the container ship charter market which started in the 3rd quarter continued particularly in the size range below 3000 teu. A contributing factor was the number of relets from charterers having picked up tonnage earlier are seeking to release them for the short term. For the larger sizes the rates remained flat and there was a resistance for charterers entering into long term (> 5 years) charters except where the rates were very attractive.

The container ship charter index (BOXI) fell by 20 points or 14% in the 4th quarter of 2006.²

In contrast to the container market, the bulk carrier and tanker market remained resilient.

Nevertheless, the above factors will not have any impact on PST's income and distributions due to the long term charters it has in place for the next quarter and also the next 12 months.

Sources:

1. Axsmarine website "www.axsmarine.com"
2. Braemar Container Shipping & Chartering - 3rd Quarter report for 2006

Outlook for the Financial Year 2007

Barring any unforeseen circumstances the Trustee-Manager of PST is optimistic of delivering at least the forecast distribution per unit for the FY2007 as stated in the Prospectus based on existing charter agreements signed.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:	Yes
Name of distribution:	Final Distribution for 1 October 2006 to 31 December 2006
Distribution type:	Tax-Exempt Income
Distribution rate:	1.04 cents per unit
Par value of units:	Not applicable
Tax rate:	These distributions are made out of PST's Net Tax-Exempt Income. All unitholders are exempt from Singapore income tax on the distributions made by PST out of its Net Tax-Exempt Income regardless of whether they are corporate unitholders or individuals.

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period:	Not applicable
---	----------------

(c) Date payable: 28 February 2007

Financial Statements Announcement
For the period from 25 April to 31 December 2006

(d) Books Closure Date: The Transfer Books and Register of Unitholders of Pacific Shipping Trust ("PST") will be closed from 5.00 p.m. on 31 January 2007 for the purposes of determining unitholder's entitlement to the distribution of profits.

Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 31 January 2007 will be entitled to the Distribution to be paid on 28 February 2007.

12 If no distribution has been declared/(recommended), a statement to that effect

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group)

Not applicable

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15 Breakdown of sales

	Actual 25/04/06 to 31/12/06 Note (a) US\$'000
(a) Gross revenue reported for the first half year	3,311
(b) Net profit after tax for the first half year	3,358
(c) Gross revenue reported for the second half year	17,406
(d) Net profit after tax for the second half year	3,464

Footnotes:

(a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution).

16 Breakdown of the total distribution for the period from 25 April 2006 to 31 December 2006

Annual distribution to unitholders

	Actual 25/04/06 to 31/12/06 Note (a) US\$'000
1 October 2006 to 31 December 2006	3,519
25 April 2006 to 30 September 2006	4,853
	8,372

Footnotes:

(a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution).

Financial Statements Announcement
For the period from 25 April to 31 December 2006

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, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

BY ORDER OF THE BOARD OF PST MANAGEMENT PTE. LTD.
AS TRUSTEE-MANAGER OF PACIFIC SHIPPING TRUST

Eunice Ng Puay Li
Company Secretary
23 January 2007