



(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 First Quarter Ended 31 March 2008

The financial information set out in Item 1 (a), (b), (c), (d) of this announcement for the three months ended 31 March 2008 have been extracted from the Interim Financial Information which have been reviewed by our auditors in accordance with SSRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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 and supplemented by the First Supplemental Deed dated 25 February 2008 (the Trust Deed). PST was listed on the Singapore Exchange Securities Trading Limited (SGX) on 26 May 2006.

On 3 March 2008, PST Management Pte. Ltd., as the trustee-manager of PST acquired two wholly-owned subsidiaries, PSTM Alpha Pte. Ltd. and PSTM Beta Pte. Ltd. to hold new vessels to be acquired by PST.

Comparative figures presented for the Group relates to only PST as PST acquired the subsidiaries only on 3 March 2008.

As at 31 March 2008, PST owned nine container vessels which were chartered to Pacific International Lines (Private) Limited (PIL) on bareboat basis for the tenures of 8 to 9 years.

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

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1(a) Consolidated Income Statement for the First Quarter Ended 31 March 2008

	Notes	Group First Quarter Ended		Inc/ (Dec) %
		31 Mar 08 US\$'000	31 Mar 07 US\$'000	
Gross revenue	(a)	8,851	8,514	4
Depreciation		(2,474)	(3,219)	(23)
Management fees		(354)	(341)	4
Trustee fees		(13)	(14)	(7)
Other expenses		(241)	(126)	91
Finance income	1(a)(i)	83	164	(49)
Finance expense	1(a)(i)	(5,381)	(2,263)	NM
Net profit before tax		471	2,715	(83)
Income tax expense	(b)	(5)	(15)	(67)
Net profit after tax		466	2,700	(83)

NM: Not Meaningful

1(a)(i) Finance income and expense

	Notes	Group First Quarter Ended		Inc/ (Dec) %
		31 Mar 08 US\$'000	31 Mar 07 US\$'000	
Interest income:				
- Bank deposits		83	111	(25)
- Interest rate swaps	(c)	-	53	NM
		<u>83</u>	<u>164</u>	(49)
Interest expense:				
- Bank loans		(1,350)	(1,895)	(29)
- Interest rate swaps	(c)	(386)	-	NM
- Fair value losses on interest rate swaps	(d)	(3,645)	(368)	NM
		<u>(5,381)</u>	<u>(2,263)</u>	NM

Explanatory notes:

- (a) Gross revenue consists of bareboat charter income from existing eight container vessels and 21 days of charter income from Kota Nabil which was delivered and chartered on 10 March 2008.
- (b) This relates to tax payable on the taxable interest income on bank deposits.
- (c) This relates to the net interest income and expenses arising from the 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.

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1(a)(ii) Consolidated Distribution Statement

		Group		
		First Quarter Ended		
	Notes	31 Mar 08	31 Mar 07	Inc/ (Dec)
		US\$'000	US\$'000	%
Net profit after tax		466	2,700	(83)
Add: Non-tax deductible items	(a)	6,141	3,597	71
Less: Repayment of borrowings		(2,875)	(2,875)	-
Income available for distribution		3,732	3,422	9
Add: Income from prior year / period retained for working capital	(b)	60	104	(42)
Less: Income to be retained for working capital	(c)	(523)	-	NM
Income to be distributed		3,269	3,526	(7)
Comprising: (i) Tax-exempt distribution		3,269	3,327	(2)
(ii) Tax-exempt (one-tier) income	(d)	-	199	NM
Income to be distributed		3,269	3,526	(7)

Explanatory notes:

- (a) Non-tax deductible items comprise mainly depreciation, trustee fee, foreign currency loss/gain and non-tax deductible fair value losses from interest rate swaps.
- (b) This relates to net taxable income of PST that was retained in prior years.
- (c) This relates to the portion of PST's income (10% of the Distributable Amount and interest income) that is to be retained for future working capital purposes. Trustee fees have been retained for payment to the Trustee-Manager. As disclosed in the IPO Prospectus, PST after 31 December 2007 is to distribute at least 90% of the Distributable Amount (as defined in the Trust Deed).
- (d) This relates to interest income from bank deposits (net of tax) that was distributed in prior periods.

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1(b)(i) Balance Sheets, together with a comparative statement as at the end of the immediately preceding financial year.

	Notes	Group		Trust	
		31 Mar 08 US\$'000	31 Dec 07 US\$'000	31 Mar 08 US\$'000	31 Dec 07 US\$'000
ASSETS					
Non-current assets					
Vessels	(a)	291,740	251,202	291,740	251,202
Investment in subsidiaries		-	-	-*	-
Current assets					
Other receivables		110	63	116	63
Cash and cash equivalents		8,440	8,457	8,440	8,457
		<u>8,550</u>	<u>8,520</u>	<u>8,556</u>	<u>8,520</u>
Total assets		<u>300,290</u>	<u>259,722</u>	<u>300,296</u>	<u>259,722</u>
LIABILITIES					
Non-current liabilities					
Secured bank loans		136,293	97,289	136,293	97,289
Current liabilities					
Charter income received in advance	(b)	1,523	1,514	1,523	1,514
Other payables		530	390	525	390
Secured bank loans		12,568	11,501	12,568	11,501
Interest rate swaps	(c)	7,770	4,125	7,770	4,125
Current tax payable		5	61	5	61
		<u>22,396</u>	<u>17,591</u>	<u>22,391</u>	<u>17,591</u>
Total liabilities		<u>158,689</u>	<u>114,880</u>	<u>158,684</u>	<u>114,880</u>
NET ASSETS		<u>141,601</u>	<u>144,842</u>	<u>141,612</u>	<u>144,842</u>
UNITHOLDERS' FUND					
Units in issue		146,667	146,667	146,667	146,667
Accumulated loss		(5,066)	(1,825)	(5,055)	(1,825)
Total unitholders' funds		<u>141,601</u>	<u>144,842</u>	<u>141,612</u>	<u>144,842</u>

Explanatory notes:

- (a) PST reviewed the useful lives of its vessels in accordance with the requirements under FRS 16 Property, Plant and Equipment. To better reflect the useful lives, the vessels' estimated useful life has been extended from 25 to 30 years.
- (b) Charter income is payable 30 days in advance according to the charter party of the container vessels.
- (c) This relates to the fair value of interest rate swaps transacted to manage the interest rate risk on the bank loans.

* Denotes cost of investment less than US\$1,000

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1(b)(ii) Aggregate amount of group borrowings

Note	Group	
	As at 31 Mar 08 US\$'000	As at 31 Dec 07 US\$'000
Secured bank loans		
Amount repayable within one year	12,568	11,501
Amount repayable after one year	136,293	97,289
(a)	148,861	108,790

Explanatory notes:

- (a) PST has total secured term loan facilities of US\$148 million as at 31 March 2008. Monthly repayments of the term loans are made over the next 1 month to 9 years. The term loans bear interest at floating rates.

PST has entered into interest rate swaps to fix the floating interest rates on the 71% of its term loans at a weighted average rate of 5.97% per annum.

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 the term loan facility granted by a financial institution in relation to a vessel Kota Nabil, is as follows:

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

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 priority assignment of the bareboat charter agreement.

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1(c) Consolidated Group Cash Flow Statement

	Group	
	31 Mar 08	31 Mar 07
	US\$'000	US\$'000
Operating activities		
Net profit before tax	471	2,715
Adjustments for:		
Depreciation	2,474	3,219
Fair value losses on interest rate swaps	3,645	368
Interest expenses	1,736	1,895
Interest income	(83)	(164)
Operating profit before working capital changes	8,243	8,033
Changes in working capital:		
Other receivables	(66)	(1)
Other payables	140	62
Charter income received in advance	9	-
Cash generated from operations	8,326	8,094
Income tax paid	(61)	-
Cash flows generated from operating activities	8,265	8,094
Investing activities		
Interest income received	102	155
Purchase of container vessels	(43,012)	-
Cash flows (used in)/generated from investing activities	(42,910)	155
Financing activities		
Distribution paid to unitholders	(3,707)	(3,504)
Interest expense paid	(1,736)	(1,895)
Finance cost paid	(54)	-
Proceeds from interest-bearing loans	43,000	-
Repayment of interest-bearing bank loans	(2,875)	(2,875)
Cash flows generated from/(used in) financing activities	34,628	(8,274)
Net (decrease) in cash and cash equivalents	(17)	(25)
Cash and cash equivalents at beginning of the period	8,457	8,648
Cash and cash equivalents at the end of the period	8,440	8,623

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1(d)(i) Statement of Changes in Unitholders' Funds

Group	Units in issue US\$'000	Accumulated profits/(loss) US\$'000	Total US\$'000
2008			
As at 1 January	146,667	(1,825)	144,842
Profit for the period	-	466	466
Distributions to unitholders	-	(3,707)	(3,707)
As at 31 March	146,667	(5,066)	141,601
2007			
As at 1 January	146,667	1,969	148,636
Profit for the period	-	2,700	2,700
Distributions to unitholders	-	(3,504)	(3,504)
As at 31 March	146,667	1,165	147,832
	Units in issue US\$'000	Accumulated profits/(loss) US\$'000	Total US\$'000
Trust			
2008			
As at 1 January	146,667	(1,825)	144,842
Profit for the period	-	477	477
Distributions to unitholders	-	(3,707)	(3,707)
As at 31 March	146,667	(5,055)	141,612
2007			
As at 1 January	146,667	1,969	148,636
Profit for the period	-	2,700	2,700
Distributions to unitholders	-	(3,504)	(3,504)
As at 31 March	146,667	1,165	147,832

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

	Trust	
	First Quarter Ended	First Quarter Ended
	31 Mar 08	31 Mar 07
	Units	Units
At the beginning and end of the period	337,000,000	337,000,000

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1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding years

	Trust	
	First Quarter Ended	
	31 Mar 08	31 Mar 07
	Units	Units
Number of units issued	337,000,000	337,000,000

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not Applicable.

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

The figures for the first quarter ended 31 March 2008 have been extracted from the Interim Financial Information which have been reviewed by the auditors in accordance with the Singapore Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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 annual financial statements have been applied

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2007.

At the reporting date, PST reviewed the useful lives of its vessels in accordance with the requirements under FRS 16 Property, Plant and Equipment. To better reflect the useful lives, the estimated useful lives of the vessels have been extended from 25 to 30 years.

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

There has been no change in the accounting policies and methods of computation adopted by PST Group.

At the reporting date, PST reviewed the useful lives of its vessels in accordance with the requirements under FRS 16 Property, Plant and Equipment. To better reflect the useful lives, the estimated useful lives of the vessels have been extended from 25 to 30 years. The impact arising from the change in useful life was a decrease of US\$643,000 in depreciation charges for the first quarter ended 31 March 2008.

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

	Group	
	First Quarter Ended	
	31 Mar 08	31 Mar 07
Weighted average number of units as at end of period	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	<u>0.14</u>	<u>0.80</u>
Distribution per unit for the period (cents)		
(i) Tax-exempt income	0.97	0.99
(ii) Tax-exempt (one-tier) income	<u>-</u>	<u>0.05</u>
Total	<u>0.97</u>	<u>1.04</u>

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

	Group		Trust	
	31 Mar 08	31 Dec 07	31 Mar 08	31 Dec 07
	US\$	US\$	US\$	US\$
Net asset value per unit	<u>0.42</u>	<u>0.43</u>	<u>0.42</u>	<u>0.43</u>

8 Review of performance of the Group

Gross revenue for first quarter ended 31 March 2008 (Q1FY08) was higher by US\$0.3 million compared to the first quarter ended 31 March 2007 (Q1FY07) mainly due to the recognition of 21 days charter income of US\$243,000 from a new vessel, Kota Nabil, which was delivered on 10 March 2008. The revenue is from the bareboat charter of PST's container vessels, which were contracted for up to an average of about 8 years.

Depreciation was lower by US\$0.8 million (or 23%) for Q1FY08 mainly due to the impact of the change in residual value of the vessels in Q4FY07 and change in the useful life of the vessels from 25 to 30 years in the period under review.

Other trust expenses comprise mainly professional fees, regulatory fees, vessel tonnage tax, advertising and other administrative expenses. The increase in other expenses by US\$0.1 million was mainly due to expenses incurred in relation to the acquisition and charter of 4 new vessels which was approved by the unitholders at the Extraordinary General Meeting held on 22 February 2008.

Finance expenses included net fair value losses on interest rate swaps totaling US\$3.6 million for Q1FY08 versus US\$0.4 million fair value losses in Q1FY07. The increase was mainly due to the changes in the USD interest rate since second half of 2007. The interest rate swap contracts were entered into in 2006 to fix PST's bank loan interest rate. The fair value changes will not have an impact on the income to be distributed. As a result of the fair value losses on interest rate swaps, net profit after tax for Q1FY08 of US\$0.5 million was US\$2.2 million lower than Q1FY07 of US\$2.7 million. This was partially offset by higher gross revenue of US\$0.3 million and lower depreciation charge of US\$0.8 million.

Distribution Per Unit (DPU) for Q1FY08 is 0.07 cents lower than Q1FY07 mainly due to the retention of 10% Distributable Amount and interest income for future working capital purposes which is in accordance with PST's distribution policy. DPU would have been 1.10 cents if PST

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distributes 100% of the Distributable Amount and interest income during the period under review.

The net book value of the vessels increased by US\$40 million mainly due to the delivery of Kota Nabil on 10 March 2008 of US\$43 million, partially offset by depreciation of US\$2.5 million. This has resulted in an increase in the secured bank loans of US\$40 million as a term loan was drawn down to finance purchase of the vessel, partially offset by repayment of term loan of US\$2.9 million.

Interest rate swaps liabilities increased by US\$3.6 million mainly due to the net change in fair value on the interest rate swaps for the period as a result of the change in USD interest rate since second half of 2007.

9 Where a forecast, or a prospect statement, has been previously disclosed to unitholders, any variance between it and the actual results.

No forecast statement for financial year 2008 has been disclosed.

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. As at end of the 1Q 2008, there were a total of 3,281 fully cellular container vessels over 1000 teu in size with a total slot capacity of 10.681m teu, operating globally. Amongst these only 12 cellular ships, with a total slot capacity of 29,900 teu, were not employed due to various reasons, i.e. breakdown, repairs or awaiting employment. This is equivalent to 99.62% of the fleet (exceeding 1000 teu size) being fully employed.

The rally in the charter rates could not be sustained and the container ship charter index (BOXI) rose by 7 points or 4% only in the 1st quarter of 2008.

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.

11 Distribution

(a) **Current Financial Period Reported On** ⁽¹⁾

Name of distribution	Tax-Exempt	Tax-Exempt (One-Tier)	Total
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	0.97	-	0.97
Tax rate	Tax-exempt ⁽³⁾	Tax-exempt ⁽⁴⁾	Tax exempt

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11 Distribution (Cont'd)

(b) **Corresponding period of the immediately preceding financial period** ⁽²⁾

Name of distribution	Tax-Exempt	Tax-Exempt (One-Tier)	Total
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	0.99	0.05	1.04
Tax rate	Tax-exempt ⁽³⁾	Tax-exempt ⁽⁴⁾	Tax exempt

Note:

⁽¹⁾ Distribution for the period from 1 January 2008 to 31 March 2008.

⁽²⁾ Distribution for the period from 1 January 2007 to 31 March 2007.

⁽³⁾ 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.

⁽⁴⁾ These distributions are made out of PST's Net Taxable Income. All unitholders are exempt from Singapore income tax on the distributions made by PST out of its Net Taxable Income regardless of whether they are corporate unitholders or individuals. The unitholders may not claim a corresponding tax credit/refund for the tax paid at PST's level of PST's Taxable Income less allowable expenses.

(c) Date payable: 30 May 2008

(d) Books Closure Date: The Transfer Books and Register of unitholders of (Pacific Shipping Trust (PST) will be closed on 5 p.m. on 2 May 2008 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 2 May 2008 will be entitled to the Distribution to be paid on 30 May 2008.

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

Not applicable.

13 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) of the Listing Manual

The board of directors of PST Management Pte. Ltd. do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results for the quarter ended 31 March 2008 to be false or misleading.

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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.

ON BEHALF OF THE DIRECTORS

Benedict Kwek Gim Song
Chairman

Subhangshu Dutt
Chief Executive Officer

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

Lim Ka Bee
Company Secretary
22 April 2008