

PACIFIC SHIPPING TRUST



Financial Statements Announcement

For The Period From 25 April 2006 to 30 June 2006

These financial statements for the period ended 30 June 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.

PST owns 8 container vessels which are chartered to Pacific International Lines (Private) Limited on bareboat basis for the tenure of 8 to 10 years.

Where appropriate, comparisons are made against prorated projection figures for the period ended 30 June 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 Projection").

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

PACIFIC SHIPPING TRUST

**Financial Statements Announcement
For the Period Ended 30 June 2006**

1(a) Income Statement

	Notes	Actual 25/04/06 to 30/06/06 Note (a) US\$'000
Gross revenue	(b)	3,311
Interest income		23
Depreciation		(1,281)
Management fee		(132)
Other trust expenses		(31)
Borrowing costs	(c)	(730)
Fair value gains on derivatives	(d)	2,203
Net profit before tax		3,363
Income tax expense	(e)	(5)
Net profit after tax		3,358
Income available for distribution	(f)	1,327

Footnotes:

- (a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution). The first financial period was from 25 April 2006 to 30 June 2006.

Although PST was constituted on 25 April 2006, the acquisition of the container vessels was only completed on 26 May 2006 which was the official listing date. Consequently, there were no operating activities for the period prior to 26 May 2006.

- (b) Consist of charter income from the container vessels.
- (c) The borrowing costs incurred relate to interest expense on bank loans.
- (d) This relates to fair value gains on interest rate swaps.
- (e) This relates to tax payable on the taxable interest income.
- (f) Income available for distribution is as follows:

	Actual 25/04/06 to 30/06/06 US\$'000
Net profit after tax	3,358
Add: Non-tax deductible items (mainly depreciation)	1,290
Less: Tax exempt income	
- Fair value gains on derivatives (f(i))	(2,203)
Repayment of borrowings	(1,118)
Income available for distribution	1,327

- (f(i)) The fair value gains on derivatives are unrealised and accordingly, such gains are not available for distribution.

**Financial Statements Announcement
For the Period Ended 30 June 2006**

1(b)(i) Balance sheet as at 30 June 2006

	Notes	Actual 30/06/06 Note (a) US\$'000
Non-current assets		
Container vessels	(b)	271,000
Less: Accumulated depreciation		(1,281)
		269,719
Current assets		
Other receivables		20
Derivative asset	(c)	2,203
Cash		6,274
		8,497
Total assets		278,216
Non-current liability		
Bank loans		(114,541)
Current liabilities		
Charter income received in advance	(d)	(2,365)
Bank loans		(11,501)
Other payables		(101)
Tax payable		(5)
		(13,972)
Total liabilities		(128,513)
Net assets attributable to unitholders		149,703
Unitholders' funds		
Units in issue		151,650
Unit issue costs		(5,305)
Accumulated profits		3,358
Total unitholders' funds		149,703

Footnotes:

- (a) No comparative balance sheet has been presented as PST was formed on 25 April 2006 (date of constitution). The first financial period was from 25 April 2006 to 30 June 2006.
- (b) The container vessels were acquired on 26 May 2006 which is the listing date on SGX.
- (c) The derivative asset relates to the fair value of interest rate swaps.
- (d) Charter income is payable 30 days in advance according to the charterparty of the container vessels.

1(b)(ii) Aggregate amount of borrowings

	Notes	Actual 30/06/06 US\$'000
Secured bank loans		
Amount repayable within one year	(a)	11,501
Amount repayable after one year		114,541
		126,042

**Financial Statements Announcement
For the Period Ended 30 June 2006**

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 over 10 or 12 years and bearing floating interest rate for the entire term of the loans.

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 a interest rate swap facility granted by a financial institution in relation to 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 Ended 30 June 2006**

1(c) Cash flow statement for period ended 30 June 2006

	Actual 25/04/06 to 30/06/06 Note (a)
	US\$'000
Operating activities	
Net profit before tax	3,363
Adjustments for	
Interest income	(23)
Depreciation	1,281
Borrowing costs	730
Fair value gains on derivatives	(2,203)
Operating profit before working capital changes	3,148
Changes in working capital	
Other receivables	(20)
Charter income received in advance	2,365
Other payables	101
Cash flows from operating activities	5,594
Investing activities	
Purchase of container vessels	(271,000)
Interest received	23
Cash flows from investing activities	(270,977)
Financing activities	
Proceeds from bank loans	127,000
Repayment of bank loans	(958)
Borrowing costs paid	(730)
Proceeds from issuance of units	151,650
Unit issue costs paid	(5,305)
Cash flows from financing activities	271,657
Net increase in cash and cash equivalents	6,274
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	6,274

Footnotes:

- (a) There was no comparative cash flow statement as at 30 June 2005 as PST was formed on 25 April 2006 (date of constitution). The first financial period was from 25 April 2006 to 30 June 2006.

**Financial Statements Announcement
For the Period Ended 30 June 2006**

1(d)(i) Statement of movements in unitholders' funds for the period 25/04/06 to 30/06/06 (Note (a))

	Units in Issue US\$'000	Issue Costs US\$'000	Accumulated Profits US\$'000	Total US\$'000
On date of constitution	-	-	-	-
Units issued [Note (b)]	151,650	-	-	151,650
Unit issue costs	-	(5,305)	-	(5,305)
Net profit after tax	-	-	3,358	3,358
Balance as at end of period	151,650	(5,305)	3,358	149,703

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. The first financial period was from 25 April 2006 to 30 June 2006.
- (b) These are 337,000,000 units issued on 26 May 2006 upon listing on the SGX.

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

	Notes	Actual 25/04/06 to 30/06/06 Units
Units issued on 26 May 2006	(a)	337,000,000
Issued units at end of period		337,000,000

Footnotes:

- (a) These are the 337,000,000 units issued on 26 May 2006 upon listing on the SGX.

**Financial Statements Announcement
For the Period Ended 30 June 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

	Notes	Actual 25/04/06 to 30/06/06	Projection 26/05/06 to 30/06/06 Note (b)
Weighted average number of units	(a)	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		1.00	0.36
Number of units issued at end of period		337,000,000	337,000,000
Distribution per unit for the period based on the total number of units entitled to distribution (cents)		0.39	0.39

Footnotes:

- (a) The weighted average number of units is weighted for the period from 26 May 2006 (the listing date) when the container vessels were acquired to 30 June 2006.
- (b) The figures shown are pro-rated from the Projection disclosed in the Prospectus.

**Financial Statements Announcement
For the Period Ended 30 June 2006**

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

	Notes	Actual 30/06/06 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 only on 26 May 2006. The first financial period was from 25 April 2006 to 30 June 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 30 June 2006.

8 Review of the performance

Please refer to section 9(b) below on the review of actual against the prorated Projection disclosed in the Prospectus for the period ended 30 June 2006.

9(a)

	Notes	Actual 25/04/06 to 30/06/06 US\$'000	Projection 26/05/06 to 30/06/06 Note (a) US\$'000	Increase/ Decrease %
Gross revenue	(b)	3,311	3,311	0%
Interest income		23	-	NM
Depreciation		(1,281)	(1,182)	8%
Management fee		(132)	(132)	0%
Other trust expenses		(31)	(68)	-54%
Borrowing costs	(c)	(730)	(705)	4%
Fair value gains on derivatives	(d)	2,203	-	NM
Net profit before tax		3,363	1,224	175%
Income tax expense	(e)	(5)	-	NM
Net profit after tax		3,358	1,224	174%
Income available for distribution	(f)	1,327	1,309	1%

Footnotes:

NM- Not meaningful

- (a) The projection figures are derived by prorating the Projection disclosed in the Prospectus for the period from 26 May 2006 to 30 June 2006.

Although PST was constituted on 25 April 2006, the acquisition of the container vessels was only completed on 26 May 2006 which was the listing date. Consequently, there were no operating activities for the period prior to 26 May 2006.

- (b) Consist of charter income from the container vessels.

**Financial Statements Announcement
For the Period Ended 30 June 2006**

- (c) The borrowing costs incurred relate to interest expense on bank loans.
- (d) This relates to fair value gains on interest rate swaps.
- (e) This relates to tax payable on the taxable interest income.
- (f) Income available for distribution is as follows:

	Actual 25/04/06 to 30/06/06	Projection 26/5/06 to 30/06/06
	US\$'000	US\$'000
Net profit after tax	3,358	1,224
Add: Non-tax deductible items (mainly depreciation)	1,290	1,187
Less: Tax exempt income		
- Fair value gains on derivatives (f(i))	(2,203)	-
Repayment of borrowings	(1,118)	(1,102)
Income available for distribution	1,327	1,309

- (f(i)) The fair value gains on derivatives are unrealised and accordingly, such gains are not available for distribution.

9(b) Review of performance for the period ended 30 June 2006

The gross revenue at US\$3.3 million is consistent with the Projection and is derived from the charter income of the container vessels.

Interest income at US\$0.02 million is derived from bank deposits.

Depreciation at US\$1.3 million is higher than the Projection by 8%. This is mainly due to rounding of remaining lives used in the Projection to the nearest year.

Borrowing costs at US\$0.7 million were marginally higher than the Projection mainly due to higher floating interest expense being charged on the period from 26 May 2006 to 30 June 2006 as compared to the assumed fixed rate in the Projection. The interest is fixed only starting from 30 June 2006 which is when the interest rate swaps commence.

Other trust expenses at US\$0.03 million were lower than the Projection by 54% as certain projected expenses have not been incurred.

Fair value gains of US\$2.2 million arose due to the marked to market revaluation of the interest rate swaps. The Projection assumed no change in the fair value of the derivatives.

**Financial Statements Announcement
For the Period Ended 30 June 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 on close to 100% deployment. As at July 2006, there were total 2,677 fully cellular container vessels over 1000 teu in size, operating globally. Amongst these only 6 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

Far Eastern Freight Conference (FEFC), told ci-online (Containerisation International) that growth in the trades between Asia and Europe had been 'substantially greater than had been expected' exceeding even the FEFC's own forecast of 13% made late last year. Far Eastern Freight Conference lines say they are succeeding in getting almost all of July's rate increase as demand soars well above even the carriers' expectations.

Shipyards all over the world reported strong order books till 2009 and in some cases 2010 as well, which is another indicator of the strong demand.

As a result of the strong demand in all sizes of container ships, the container ship charter index rose by 7.4% in the 2nd quarter of 2006.²

Sources:

1. Axsmarine website "www.axsmarine.com"

2. Braemar Container Shipping & Chartering - 2nd Quarter report for 2006

Outlook for the financial year ending 31 December 2006

Barring any unforeseen circumstances the Trustee-Manager of PST is optimistic of delivering at least the projected distribution per unit for the FY2006 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: No

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Not Applicable

(c) Date payable: Not Applicable

(d) Books Closure Date: Not Applicable

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

PST's first distribution will be for the period from the listing date to 30 September 2006 and will be paid on or before 29 November 2006. Subsequent distributions will take place on a quarterly basis.

**Financial Statements Announcement
For the Period Ended 30 June 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. You 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.

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

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

Eunice Ng Puay Li
Company Secretary
1-Aug-06



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Dear Sirs

**Pacific Shipping Trust ("PST")
Review of the interim financial information**

We have been engaged by PST Management Pte. Ltd. (the "Trustee-Manager of PST") to review the interim financial information of PST for the period from 25 April 2006 to 30 June 2006.

Singapore Exchange Listing Manual Appendix 7.2 requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The accompanying financial information consists of the following:

- Profit and loss account for the period from 25 April 2006 to 30 June 2006;
- Balance sheet as at 30 June 2006;
- Cash flow statement for the period from 25 April 2006 to 30 June 2006;
- Statement of movements in unitholders' funds for the period from 25 April 2006 to 30 June 2006; and
- Certain explanatory notes to the above interim financial information.

The interim financial information has been prepared on the basis as set out in Appendix 1.

The interim financial information is the responsibility of, and has been approved by, the directors of the Trustee-Manager of PST. Our responsibility is to issue a report solely for the use of the directors of the Trustee-Manager of PST on the interim financial information based on our review.

We conducted our review in accordance with Singapore Statement of Auditing Practice 11 "Review of Interim Financial Information". A review of interim financial information consists principally of applying analytical review procedures to financial data, and making enquiries of, and having discussions with, persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Based on our review, we are not aware of any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Singapore Exchange Listing Manual Appendix 7.2.

Yours faithfully

KPMG

KPMG
Certified Public Accountants

Singapore

1 August 2006