



(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 Third Quarter Ended 30 September 2006

These financial statements for the quarter ended 30 September 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 30 September 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 projection figures for the period ended 30 September 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.

**Financial Statements Announcement
For the Quarter Ended 30 September 2006**

1(a) Income Statement

	Notes	Actual 01/07/06 to 30/09/06 Note (a) US\$'000	Actual 25/04/06 to 30/09/06 Note (a) US\$'000
Gross revenue	(b)	8,703	12,014
Interest income		105	128
Depreciation		(3,219)	(4,500)
Management fee		(348)	(480)
Other trust expenses		(162)	(193)
Borrowing costs	(c)	(1,889)	(2,619)
Fair value losses on derivatives	(d)	(3,138)	(935)
Net profit before tax		52	3,415
Income tax expense	(e)	(21)	(26)
Net profit after tax		31	3,389

Footnotes:

- (a) No comparative income statement has been presented as PST was formed on 25 April 2006 (date of constitution).
- (b) Consist 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 since the end of previous quarter and does not impact the income to be distributed.
- (e) This relates to tax payable on the taxable interest income.

Distribution Statement

	Notes	Actual 01/07/06 to 30/09/06 US\$'000	Actual 25/04/06 to 30/09/06 US\$'000
Net profit after tax		31	3,389
Add: Non-tax deductible items	(a)	6,371	5,458
Less: Repayment of borrowings		(2,876)	(3,994)
Income available for distribution		3,526	4,853
(i) Tax exempt income		3,442	4,751
(ii) Taxable income	(b)	84	102
Income to be distributed		3,526	4,853

- (a) Includes the fair value losses on derivatives which are unrealised and accordingly, added back together with the other non-tax deductible items, such as depreciation and trustee fee.
- (b) This relates to interest income which does not enjoy tax exemption and is subject to tax at the prevailing corporate tax rate.

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

	Notes	Actual 30/09/06 Note (a) US\$'000
Non-current asset		
Container vessels	(b)	266,500
Current assets		
Other receivables		306
Cash and cash equivalents		9,817
		10,123
Total assets		276,623
Non-current liability		
Bank loans		(111,665)
Current liabilities		
Charter income received in advance	(c)	(2,176)
Bank loans		(11,501)
Other payables		(262)
Tax payable		(26)
Derivative liabilities	(d)	(935)
		(14,900)
Total liabilities		(126,565)
Net assets attributable to unitholders		150,058
Unitholders' funds		
Units in issue		151,650
Unit issue costs		(4,981)
Accumulated profits		3,389
Total unitholders' funds		150,058

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.

1(b)(ii) Aggregate amount of borrowings

	Note	Actual 30/09/06 US\$'000
Secured bank loans		
Amount repayable within one year	(a)	11,501
Amount repayable after one year		111,665
		123,166

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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.

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

	Actual 01/07/06 to 30/09/06 Note (a)	Actual 25/04/06 to 30/09/06 Note (a)
	US\$'000	US\$'000
Operating activities		
Net profit before tax	52	3,415
Adjustments for		
Interest income	(105)	(128)
Depreciation	3,219	4,500
Borrowing costs	1,889	2,619
Fair value losses on derivatives	3,138	935
Operating profit before working capital changes	8,193	11,341
Changes in working capital		
Other receivables	(33)	(269)
Charter income received in advance	(189)	2,176
Other payables	161	262
Cash flows from operating activities	8,132	13,510
Investing activities		
Purchase of container vessels	-	(271,000)
Interest received	79	91
Cash flows from investing activities	79	(270,909)
Financing activities		
Proceeds from bank loans	-	127,000
Repayment of bank loans	(2,876)	(3,834)
Borrowing costs paid	(1,889)	(2,619)
Proceeds from issuance of units	-	151,650
Unit issue costs recovered/(paid)	97	(4,981)
Cash flows from financing activities	(4,668)	267,216
Net increase in cash and cash equivalents	3,543	9,817
Cash and cash equivalents at beginning of the period	6,274	-
Cash and cash equivalents at end of the period	9,817	9,817

Footnotes:

- (a) There was no comparative cash flow statement as at 30 September 2005 as PST was formed on 25 April 2006 (date of constitution).

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**1(d)(i) Statement of movements in unitholders' funds for the period from 25/04/06 to 30/09/06
(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

Footnotes:

- (a) Prior period comparatives as at 30 September 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 01/07/06 to 30/09/06 Units	Actual 25/04/06 to 30/09/06 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

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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 01/07/06 to 30/09/06	Projection 01/07/06 to 30/09/06 Note (b)	Actual 25/04/06 to 30/09/06	Projection 26/05/06 to 30/09/06
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		0.01	0.95	1.01	1.32
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		1.02	1.02	1.41	1.40
(ii) Taxable income		0.02	0.00	0.03	0.00

Footnotes:

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

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

	Notes	Actual 30/09/06 Note (a)
Net asset value per unit (US\$)	(b)	0.45

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 30 September 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 September 2006.

9(a) Income and Distribution Statements

Income Statement

	Notes	Actual 01/07/06 to 30/09/06 US\$'000	Projection 01/07/06 to 30/09/06 Note (a) US\$'000	Increase/ Decrease %	Actual 25/04/06 to 30/09/06 US\$'000	Projection 26/05/06 to 30/09/06 Note (a) US\$'000	Increase/ Decrease %
Gross revenue	(b)	8,703	8,703	0%	12,014	12,014	0%
Interest income		105	-	NM	128	-	NM
Depreciation		(3,219)	(3,106)	4%	(4,500)	(4,288)	5%
Management fee		(348)	(348)	0%	(480)	(480)	0%
Other trust expenses		(162)	(180)	-10%	(193)	(248)	-22%
Borrowing costs	(c)	(1,889)	(1,853)	2%	(2,619)	(2,558)	2%
Fair value losses on derivatives	(d)	(3,138)	-	NM	(935)	-	NM
Net profit before tax		52	3,216	-98%	3,415	4,440	-23%
Income tax expense	(e)	(21)	-	NM	(26)	-	NM
Net profit after tax		31	3,216	-99%	3,389	4,440	-24%

Distribution Statement

	Notes	Actual 01/07/06 to 30/09/06 US\$'000	Projection 01/07/06 to 30/09/06 Note (a) US\$'000	Increase/ Decrease %	Actual 25/04/06 to 30/09/06 US\$'000	Projection 26/05/06 to 30/09/06 Note (a) US\$'000	Increase/ Decrease %
Net profit after tax		31	3,216	-99%	3,389	4,440	-24%
Add: Non-tax deductible items	(f)	6,371	3,119	104%	5,458	4,306	27%
Less: Repayment of borrowings		(2,876)	(2,896)	-1%	(3,994)	(3,998)	0%
Income available for distribution		3,526	3,439	3%	4,853	4,748	2%
(i) Tax exempt income		3,442	3,439	0%	4,751	4,748	0%
(ii) Taxable income	(g)	84	-	NM	102	-	NM
Income to be distributed		3,526	3,439	3%	4,853	4,748	2%

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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 September 2006.
- (b) Consist 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 since the end of previous quarter and does not impact the income to be distributed.
- (e) This relates to tax payable on the taxable interest income.
- (f) Includes the fair value losses on derivatives which are unrealised and accordingly, added back together with the other non-tax deductible items, such as depreciation and trustee fee.
- (g) This relates to interest income which does not enjoy tax exemption and is subject to tax at the prevailing corporate tax rate.

9(b) Review of performance for the quarter ended 30 September 2006

The gross revenue at US\$8.7 million is consistent with the Projection and is derived from the bareboat charter income of the existing eight container vessels.

Interest income at US\$0.1 million is derived from bank deposits.

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

Borrowing costs at US\$1.9 million were fixed at a rate of 5.97% p.a. starting from 30 June 2006, which is when the interest rate swaps commence.

Other trust expenses at US\$0.16 million were lower than the Projection by 10% as certain projected expenses have not been incurred.

Net profit after tax of US\$0.031 million was lower than the Projection by 99% mainly due to the fair value losses of US\$3.1 million which arose due to the net change in fair value of the interest rate swaps during this quarter. The Projection had assumed no change in the fair value of the derivatives. These fair value losses will not impact the income to be distributed.

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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 September 2006, there were total 2,757 fully cellular container vessels over 1000 teu in size, operating globally. Amongst these only 5 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

Despite the strong utilisation levels, the container ship charter market indicated signs of weakness, particularly for the mid range below 1300 teu. A contributing factor was the number of relets from charterers having picked up tonnage earlier and now wishing to release for short term. For the larger sizes the rates remained flat and there was a resistance for charterers to enter into long term (> 5 years) charters unless the rates were very attractive.

As a result of the large numbers of relets, the container ship charter index fell by 10.9% in the 3rd quarter of 2006.²

In contrast to the container market, the bulk carrier and tanker market showed signs of strengthening.

Nevertheless, the above factors will not have any impact on PST's income and distributions due to the long term charters in place for the next quarter and 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 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: Yes

Name of distribution: Distribution for the period from 25 April 2006 to 30 September 2006

(i) Distribution type: Tax-Exempt Income

Distribution rate: 1.41 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.

(ii) Distribution type: Taxable Income

Distribution rate: 0.03 cents per unit

Par value of units: Not applicable

Tax rate: 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 on PST's Taxable Income less allowable expenses.

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(b) Corresponding period of the immediately preceding financial period

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

(c) Date payable: 28 November 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 30 October 2006 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 30 October 2006 will be entitled to the Distribution to be paid on 28 November 2006.

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

Not applicable

13 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 30 September 2006 to be false or misleading.

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.

14 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
19 October 2006



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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 1 July 2006 to 30 September 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 1 July 2006 to 30 September 2006;
- Balance sheet as at 30 September 2006;
- Cash flow statement for the period from 1 July 2006 to 30 September 2006;
- Statement of movements in unitholders' funds for the period from 1 July 2006 to 30 September 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

19 October 2006