



(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 2008**

The financial information set out in Item 1 (a), (b), (c), (d) of this announcement for the nine months ended 30 September 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.

Comparative figures in 2007 presented for the Group relates to only PST as PST acquired PSTM Alpha Pte. Ltd. and PSTM Beta Pte. Ltd. only on 3 March 2008.

As at 30 September 2008, PST owned eleven container vessels which were bareboat and time chartered to Pacific International Lines (Private) Limited (PIL) and Compania Sud Americana De Vapores S.A. (CSAV) for average tenures between 5 to 7 years.

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**1(a) Consolidated Income Statement for the Third Quarter Ended 30 September 2008**

	Notes	Group 3 months ended 30 Sept			Inc/ (Dec) %	Group 9 months ended 30 Sept		
		2008	2007			2008	2007	
		US\$'000	US\$'000			US\$'000	US\$'000	
<b>Gross revenue</b>	(a)	<b>11,217</b>	<b>8,703</b>	29	<b>30,108</b>	<b>25,826</b>	17	
Depreciation		(3,166)	(3,219)	(2)	(8,498)	(9,658)	(12)	
Management fees		(439)	(348)	26	(1,194)	(1,033)	16	
Fleet management expenses		(352)	-	NM	(352)	-	NM	
Trustee fees		(17)	(13)	31	(45)	(40)	13	
Other expenses		(301)	(139)	117	(675)	(388)	74	
Finance income	1(a)(i)	63	183	NM	201	503	NM	
Finance expense	1(a)(i)	(3,819)	(4,562)	(16)	(7,542)	(6,352)	19	
<b>Net profit before tax</b>		<b>3,186</b>	<b>605</b>	NM	<b>12,003</b>	<b>8,858</b>	NM	
Income tax expense	(b)	(5)	(16)	NM	(15)	(46)	NM	
<b>Net profit after tax</b>		<b>3,181</b>	<b>589</b>	NM	<b>11,988</b>	<b>8,812</b>	NM	

**1(a)(i) Finance income and expense**

	Notes	Group 3 months ended 30 Sept			Inc/ (Dec) %	Group 9 months ended 30 Sept		
		2008	2007			2008	2007	
		US\$'000	US\$'000			US\$'000	US\$'000	
Interest income:								
- Bank deposits		63	114	(45)	201	332	(40)	
- Interest rate swaps	(c)	-	69	NM	-	171	NM	
		<b>63</b>	<b>183</b>	NM	<b>201</b>	<b>503</b>	NM	
Interest expense:								
- Bank loans		(1,687)	(1,805)	(7)	(4,504)	(5,510)	(18)	
- Interest rate swaps	(c)	(887)	-	NM	(1,969)	-	NM	
Fair value losses on interest rate swaps	(d)	(1,160)	(2,757)	(58)	(980)	(842)	16	
Amortisation of debt issuance cost		(85)	-	NM	(89)	-	NM	
		<b>(3,819)</b>	<b>(4,562)</b>	(16)	<b>(7,542)</b>	<b>(6,352)</b>	19	

NM: Not Meaningful

**Explanatory notes:**

- (a) Gross revenue consists of bareboat charter income from ten container vessels and 14 days of time charter income from CSAV Laja which commenced charter on 16 September 2008.
- (b) This relates to tax payable on the taxable interest income on bank deposits.
- (c) This relates to the net realized interest income and expenses arising from the settlement of the fixed and floating portions of 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 for the Third Quarter Ended 30 September 2008**

	Notes	Group 3 months ended 30 Sept		Inc/ (Dec) %	Group 9 months ended 30 Sept		Inc/ (Dec) %
		2008 US\$'000	2007 US\$'000		2008 US\$'000	2007 US\$'000	
Net profit after tax		3,181	589	NM	11,988	8,812	36
Add: Non-tax deductible items	(a)	4,569	5,982	(24)	9,778	10,532	(7)
Less: Repayment of borrowings		(3,430)	(2,875)	19	(9,546)	(8,626)	11
<b>Income available for distribution</b>		<b>4,320</b>	<b>3,696</b>	17	<b>12,220</b>	<b>10,718</b>	14
Add: Income from prior year / period retained for working capital	(b)	1,020	-	NM	1,604	104	NM
Less: Income to be retained for working capital	(c)	(1,634)	(23)	NM	(3,175)	(23)	NM
<b>Income to be distributed</b>		<b>3,706</b>	<b>3,673</b>	1	<b>10,649</b>	<b>10,799</b>	(1)
Comprising:							
(i) Tax-exempt distribution		3,706	3,598	3	10,649	10,432	2
(ii) Tax-exempt (one-tier) income	(d)	-	75	NM	-	367	NM
<b>Income to be distributed</b>		<b>3,706</b>	<b>3,673</b>	1	<b>10,649</b>	<b>10,799</b>	(1)

**Explanatory notes:**

- (a) Non-tax deductible items comprise mainly depreciation, trustee fee, foreign currency loss/gain, non-tax deductible expenses capital in nature and non-tax deductible fair value gains/losses from interest rate swaps.
- (b) This relates to PST's income that was retained in prior periods.
- (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.
- (d) This relates to interest income from bank deposits (net of tax) from 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	
		30 Sept 08 US\$'000	31 Dec 07 US\$'000	30 Sept 08 US\$'000	31 Dec 07 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Vessels	(i)	397,526	251,202	397,526	251,202
Investment in subsidiaries		-*	-	-*	-
<b>Current assets</b>					
Inventory		217	-	217	-
Trade receivables		44	-	44	-
Other receivables		262	63	262	63
Cash and cash equivalents		35,140	8,457	35,140	8,457
		<u>35,663</u>	<u>8,520</u>	<u>35,663</u>	<u>8,520</u>
<b>Total assets</b>		<b><u>433,189</u></b>	<b><u>259,722</u></b>	<b><u>433,189</u></b>	<b><u>259,722</u></b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Secured bank loans	1(b)(ii)	170,192	97,289	170,192	97,289
<b>Current liabilities</b>					
Trade payables		1,000	-	1,000	-
Charter income received in advance	(ii)	1,493	1,514	1,493	1,514
Other payables		3,292	390	3,287	390
Secured bank loans	1(b)(ii)	15,548	11,501	15,548	11,501
Interest rate swaps	(iii)	5,105	4,125	5,105	4,125
Current tax payable		17	61	17	61
		<u>26,455</u>	<u>17,591</u>	<u>26,450</u>	<u>17,591</u>
<b>Total liabilities</b>		<b><u>196,647</u></b>	<b><u>114,880</u></b>	<b><u>196,642</u></b>	<b><u>114,880</u></b>
<b>NET ASSETS</b>		<b><u>236,542</u></b>	<b><u>144,842</u></b>	<b><u>236,547</u></b>	<b><u>144,842</u></b>
<b>UNITHOLDERS' FUND</b>					
Units in issue		237,029	146,667	237,029	146,667
Accumulated loss		(487)	(1,825)	(482)	(1,825)
<b>Total unitholders' funds</b>		<b><u>236,542</u></b>	<b><u>144,842</u></b>	<b><u>236,547</u></b>	<b><u>144,842</u></b>

**Explanatory notes:**

- (i) 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 since 1 January 2008.
- (ii) Charter income is payable 30 days in advance according to the charter party of the container vessels.
- (iii) 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 30 Sept 08 US\$'000	As at 31 Dec 07 US\$'000
<b>Secured bank loans</b>			
Amount repayable within one year		15,561	11,501
Less: Unamortised debt issuance cost		(13)	-
	1(b)(i)	<u>15,548</u>	<u>11,501</u>
Amount repayable after one year		170,283	97,289
Less: Unamortised debt issuance cost		(91)	-
	1(b)(i)	<u>170,192</u>	<u>97,289</u>
<b>Total</b>	(a)	<b><u>185,740</u></b>	<b><u>108,790</u></b>

Explanatory notes:

- (a) PST has total secured term loan facilities of US\$186 million as at 30 September 2008. Repayments of the secured bank loans were made on a monthly basis. The term loans bear interest at floating rates and are secured on all the existing container vessels with mortgages, assignment of the insurances, charter income and bareboat charter agreements.

PST has entered into interest rate swaps to fix the floating interest rates on its secured term loans at a weighted average rate of 5.37% per annum. These interest rate swaps are secured via priority mortgage on certain vessels, and assignment of insurances, charter income and bareboat charter and time charter agreements for certain vessels.

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**1(c) Consolidated Group Cash Flow Statement**

	Group		Group	
	3 months ended 30 Sept 2008	2007	9 months ended 30 Sept 2008	2007
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
Net profit before tax	3,186	605	12,003	8,858
<b>Adjustments for:</b>				
Depreciation	3,166	3,219	8,498	9,658
Amortisation of debt issuance cost	85	-	89	-
Fair value losses on interest rate swaps	1,160	2,757	980	842
Interest expenses	2,574	1,805	6,473	5,510
Interest income	(63)	(183)	(201)	(503)
<b>Operating profit before working capital changes</b>	<b>10,108</b>	<b>8,203</b>	<b>27,842</b>	<b>24,365</b>
Changes in working capital:				
Inventory	(217)	-	(217)	-
Trade and other receivables	(212)	(18)	(254)	(18)
Trade and other payables	2,165	(189)	2,190	(284)
Charter income received in advance	(235)	45	(21)	78
<b>Cash generated from operations</b>	<b>11,609</b>	<b>8,041</b>	<b>29,540</b>	<b>24,141</b>
Income tax (paid)/refunded	1	-	(59)	(43)
<b>Cash flows generated from operating activities</b>	<b>11,610</b>	<b>8,041</b>	<b>29,481</b>	<b>24,098</b>
<b>Investing activities</b>				
Interest income received	56	167	212	492
Purchase of container vessels	(68,795)	-	(154,822)	-
<b>Cash flows (used in)/generated from investing activities</b>	<b>(68,739)</b>	<b>167</b>	<b>(154,610)</b>	<b>492</b>
<b>Financing activities</b>				
Distribution paid to unitholders	(3,673)	(3,572)	(10,650)	(10,581)
Interest expense paid	(2,574)	(1,805)	(6,473)	(5,510)
Debt issuance cost paid	(140)	-	(193)	-
Proceeds from issue of new units	92,254	-	92,254	-
Units issue cost paid	(180)	-	(180)	-
Proceeds from interest-bearing loans	69,000	-	155,000	-
Repayment of interest-bearing bank loans	(71,830)	(2,875)	(77,946)	(8,626)
<b>Cash flows generated from/(used in) financing activities</b>	<b>82,857</b>	<b>(8,252)</b>	<b>151,812</b>	<b>(24,717)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>25,728</b>	<b>(44)</b>	<b>26,683</b>	<b>(127)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>9,412</b>	<b>8,565</b>	<b>8,457</b>	<b>8,648</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>35,140</b>	<b>8,521</b>	<b>35,140</b>	<b>8,521</b>

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

	<b>Units in issue</b>	<b>Accumulated profits/(loss)</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
<b><u>Group</u></b>			
<b>2008</b>			
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
Profit for the period	-	8,341	8,341
Distributions to unitholders	-	(3,270)	(3,270)
As at 30 June	146,667	5	146,672
Units issued	92,254	-	92,254
Units issue cost	(1,892)	-	(1,892)
Profit for the period	-	3,181	3,181
Distributions to unitholders	-	(3,673)	(3,673)
<b>As at 30 September</b>	<b>237,029</b>	<b>(487)</b>	<b>236,542</b>
<b>2007</b>			
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
Profit for the period	-	5,523	5,523
Distributions to unitholders	-	(3,505)	(3,505)
As at 30 June	146,667	3,183	149,850
Profit for the period	-	589	589
Distributions to unitholders	-	(3,572)	(3,572)
<b>As at 30 September</b>	<b>146,667</b>	<b>200</b>	<b>146,867</b>
	<b>Units in issue</b>	<b>Accumulated profits/(loss)</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000
<b><u>Trust</u></b>			
<b>2008</b>			
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
Profit for the period	-	8,335	8,335
Distributions to unitholders	-	(3,270)	(3,270)
As at 30 June	146,667	10	146,677
Units issued	92,254	-	92,254
Units issue cost	(1,892)	-	(1,892)
Profit for the period	-	3,181	3,181
Distributions to unitholders	-	(3,673)	(3,673)
<b>As at 30 September</b>	<b>237,029</b>	<b>(482)</b>	<b>236,547</b>

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

	Units in issue US\$'000	Accumulated profits/(loss) US\$'000	Total US\$'000
<b>Trust</b>			
<b>2007</b>			
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
Profit for the period	-	5,523	5,523
Distributions to unitholders	-	(3,505)	(3,505)
As at 30 June	146,667	3,183	149,850
Profit for the period	-	589	589
Distributions to unitholders	-	(3,572)	(3,572)
<b>As at 30 September</b>	<b>146,667</b>	<b>200</b>	<b>146,867</b>

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

	Trust		Trust	
	3 months ended 30 Sept 2008	30 Sept 2007	9 months ended 30 Sept 2008	30 Sept 2007
	Units	Units	Units	Units
At the beginning of the period	337,000,000	337,000,000	337,000,000	337,000,000
Units issued during the period – Preferential Offering	252,750,000	-	252,750,000	-
At end of the period	589,750,000	337,000,000	589,750,000	337,000,000

**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	
	9 months ended 30 Sept 2008	30 Sept 2007
	Units	Units
Number of units issued	589,750,000	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 nine months ended 30 September 2008 have been extracted from the Interim Financial Information which has 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".

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**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.

As at 1 January 2008, 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.

As at 1 January 2008, 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\$2.1 million in depreciation charges for the nine months ended 30 September 2008.

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

	<b>Group</b>	
	<b>3 months ended 30 Sept</b>	<b>2007</b>
	<b>2008</b>	<b>2007</b>
Weighted average number of units for the period	339,747,283	337,000,000
Earnings per unit for the period based on the weighted average number of units in issue		
- basic (US cents)	0.94	0.17
- diluted (US cents)	0.94	0.17
Distribution per unit for the period (US cents)		
(i) Tax-exempt income	1.0953	1.07
(ii) Tax-exempt (one-tier) income	-	0.02
<b>Total</b>	<b>1.0953</b>	<b>1.09</b>

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

	<b>Group</b>	
	<b>9 months ended 30 Sept</b>	
	<b>2008</b>	<b>2007</b>
Weighted average number of units for the period	337,922,445	337,000,000
Earnings per unit for the period based on the weighted average number of units in issue		
- basic (US cents)	<u>3.55</u>	<u>2.61</u>
- diluted (US cents)	<u>3.55</u>	<u>2.61</u>
Distribution per unit for the period (US cents)		
(i) Tax-exempt income	3.1553	3.10
(ii) Tax-exempt (one-tier) income	-	0.09
<b>Total</b>	<u>3.1553</u>	<u>3.19</u>

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

	<b>Group</b>		<b>Trust</b>	
	<b>30 Sept 08</b>	<b>31 Dec 07</b>	<b>30 Sept 08</b>	<b>31 Dec 07</b>
	US\$	US\$	US\$	US\$
Net asset value per unit	<u>0.40</u>	<u>0.43</u>	<u>0.40</u>	<u>0.43</u>

**8 Review of performance of the Group**

Gross revenue for the nine months ended 30 September 2008 (Q3FY08) was US\$4.3 million higher than the corresponding period in 2007 (Q3FY07). This was due mainly to full quarter's contribution from Kota Naga which was delivered and commenced charter on 28 May 2008 and 14 days of time charter income of US\$0.4 million from a new vessel, CSAV Laja, which commenced charter on 16 September 2008. Management fees have increased accordingly with the delivery of the new vessels during the year.

Depreciation was lower by US\$1.2 million for Q3FY08 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.

Fleet management fees comprises mainly crew related expenses, insurance, lubricant expenses and other operating expenses related to the time chartered vessel, CSAV Laja. The amount increased mainly due to the charter of CSAV Laja on 16 September 2008.

Trustee fees increased correspondingly with the growth in assets in PST in the period under review.

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**8 Review of performance of the Group (Cont'd)**

Other expenses comprise mainly of professional fees, regulatory fees, vessel tonnage tax, advertising and other administrative expenses. The increase of US\$0.3 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 income decreased by US\$0.3 million mainly due to lower interest income of US\$0.1 million on bank deposits as a result of the low interest rate environment in the current period. Interest income on interest rate swaps in Q3FY07 was US\$0.2 million compared to nil in Q3FY08.

Finance expenses increased from US\$6.4 million in Q3FY07 to US\$7.5 million in Q3FY08. Interest expense on bank loans decreased from US\$5.5 million in Q3FY07 to US\$4.5 million in Q3FY08 mainly due to the repayment of loan principal during the year. Due to the volatility in USD interest rate environment during the year, it has resulted in net fair value losses on interest swaps of US\$1.0 million for Q3FY08 versus US\$0.8 million in Q3FY07. The interest rate swap contracts were entered into 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 volatility in the USD interest rates, interest expense on interest rate swaps have increased to US\$1.9 million in Q3FY08 versus nil in Q3FY07.

Income tax expense decreased mainly due to decrease in interest income from bank deposits. Tax is payable on the taxable interest income on bank deposits.

The net book value of the vessels increased by US\$146.3 million mainly due to the delivery of Kota Nabil on 10 March 2008 of US\$43.0 million, Kota Naga on 28 May 2008 of US\$43.0 million and CSAV Laja on 15 September 2008 of US\$69.0 million, partially offset by depreciation of US\$8.5 million. This has resulted in an increase in secured bank loans of US\$155.0 million as term loans were drawn down to finance purchase of the vessels during the year. This was partially offset by repayment of term loans of US\$77.9 million during the year of which US\$68.4 million from the preferential offering was used for partial refinancing of Kota Nabil, Kota Naga and CSAV Laja.

Cash and cash equivalent increased mainly from financing activities as a result of the preferential offering offset against the cash flows used in investing activities for the purchase of vessels during the year.

Trade payables comprise of an amount of US\$1.0 million for the payment of bunker remaining on board on the delivery of CSAV Laja on 15 September 2008. Other payables increased by US\$2.9 million mainly due to the accrual of amounts due to the advisers and lawyers for advising on the preferential offering.

Interest rate swaps liabilities increased by US\$1.0 million mainly due to the net change in fair value on the interest rate swaps for the period as a result of the decrease in USD interest rate as at 30 September 2008.

**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.

## **PACIFIC SHIPPING TRUST**

### **Financial Statements Announcement for Third Quarter Ended 30 September 2008**

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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 containership market has been going through a period of adjustment recently, as a result of slowing global economic growth, which has in turn led to reducing demand for maritime carrying capacities. Freight rates for container vessels had been on the downward trend in the third quarter, and is likely to continue into the fourth quarter. The charter rate index for containerships, BOXI, fell by some 22% since end of June.

Elsewhere, in the other shipping sectors, there are definitive signs of weakening whilst the outlook for world economic growth is bearish (according to most analysts). The high costs of operation and the inflated asset prices, coupled with record high freight rates, have proved to be unsustainable, and certain market sectors are likely to undergo significant adjustments in the coming months.

Whilst PST does not intend to enter into further asset investments as long as the markets remain uncertain, the current volatile shipping market could present PST with opportunities to grow its fleet as soon as conditions stabilise. Nevertheless, PST believes that the current volatility experienced in the shipping markets, equity capital markets and debt markets are unlikely to have any material impact on PST's income and distribution due to the long term charters it has in place as well its prudent debt management strategy.

Financing for PST's entire vessel portfolio, including its 12<sup>th</sup> vessel, CSAV Lauca, which is expected to be delivered in early November 2008, is in place. The average loan tenure for the fleet (as at end of Q3 FY2008) is 8.5 years and there are no refinancing requirements in the medium-term.

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**11 Distribution**

(a) **Period from 1 July 2008 to 30 September 2008**

**PST Units**

<b>Name of distribution</b>	<b>Tax-Exempt</b>	<b>Tax-Exempt (One-Tier)</b>	<b>Total</b>
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	1.0953	-	1.0953
Tax rate	Tax-exempt <sup>(2)</sup>	Tax-exempt <sup>(3)</sup>	Tax exempt

**PST A Units<sup>(1)</sup>**

<b>Name of distribution</b>	<b>Tax-Exempt</b>	<b>Tax-Exempt (One-Tier)</b>	<b>Total</b>
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	0.0057	-	0.0057
Tax rate	Tax-exempt <sup>(2)</sup>	Tax-exempt <sup>(3)</sup>	Tax exempt

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

**PST Units**

<b>Name of distribution</b>	<b>Tax-Exempt</b>	<b>Tax-Exempt (One-Tier)</b>	<b>Total</b>
Distribution type	Cash	Cash	Cash
Distribution per unit (cents)	1.07	0.02	1.09
Tax rate	Tax-exempt <sup>(2)</sup>	Tax-exempt <sup>(3)</sup>	Tax exempt

**Note:**

- (1) PST A Units were issued and allotted on 30 September 2008.
- (2) 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.
- (3) 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: 28 November 2008

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(d) Books Closure Date: The Transfer Books and Register of unitholders of (Pacific Shipping Trust (PST) will be closed on 5 p.m. on 31 October 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 31 October 2008 will be entitled to the Distribution to be paid on 28 November 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 nine months ended 30 September 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

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Benedict Kwek Gim Song  
Chairman

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Alvin Cheng Yu-Dong  
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 October 2008**