

Circular dated 28 January 2008

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If you have sold or transferred all your units in Pacific Shipping Trust (“**PST**” and units in PST “**Units**”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



PACIFIC SHIPPING TRUST

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

MANAGED BY



PST MANAGEMENT PTE. LTD.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

- (1) **THE PROPOSED ACQUISITION OF PST VALOUR (AS DEFINED HEREIN);**
- (2) **THE PROPOSED ACQUISITION OF PST VICTORY (AS DEFINED HEREIN);**
- (3) **THE PROPOSED ACQUISITION OF KOTA NABIL (AS DEFINED HEREIN);**
- (4) **THE PROPOSED ACQUISITION OF KOTA NAGA (AS DEFINED HEREIN);**
- (5) **THE PROPOSED CHARTER OF KOTA NABIL (AS DEFINED HEREIN);**
- (6) **THE PROPOSED CHARTER OF KOTA NAGA (AS DEFINED HEREIN);**
- (7) **THE PROPOSED SHIP MANAGEMENT AGREEMENT;**
- (8) **THE PROPOSED AUTHORISED INVESTMENT SUPPLEMENT TO THE TRUST DEED; AND**
- (9) **THE PROPOSED AUTHORISED BUSINESS SUPPLEMENT TO THE TRUST DEED**

Independent Financial Adviser

PricewaterhouseCoopers Corporate Finance Pte Ltd

(Incorporated in the Republic of Singapore)
(Company Registration No. 197501605H)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms	:	20 February 2008 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	22 February 2008 at 2.00 p.m.
Place of Extraordinary General Meeting	:	NTUC Business Centre, 1 Marina Boulevard, Level 7 Room 701, Singapore 018989

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CORPORATE INFORMATION

Directors of PST Management Pte. Ltd. (the trustee-manager of PST (the “Trustee-Manager”))	Mr Benedict Kwek Gim Song (Chairman and Independent Director) Mr David Chin Soon Siong (Independent Director) Mr Lee Soo Hoon (Independent Director) Mr Eugene Ooi Chin Chai (Independent Director) Mr Jones Christopher Adrian (Independent Director) Mr Kuan Kim Kin (Director) Mr Teo Choo Wee (Director) Mr Subhangshu Dutt (Director and Chief Executive Officer)
Registered office of PST Management Pte. Ltd.	140 Cecil Street #09-01 PIL Building Singapore 069540
Legal Adviser for the Acquisitions and to the Trustee-Manager	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Unit Registrar and Unit Transfer Office	Boardroom Corporate & Advisory Services Pte. Ltd. 3 Church Street #08-01 Samsung Hub Singapore 049483
Independent Financial Adviser	PricewaterhouseCoopers Corporate Finance Pte Ltd 8 Cross Street #17-00 PWC Building Singapore 048424
Independent Valuers	Braemar Seascope Valuations Limited 35 Cosway Street London NW1 5BT United Kingdom Howe Robinson Marine Evaluations Limited 77 Mansell Street London E1 8AF United Kingdom

SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 26 to 30 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

For purposes of this Circular, the names of the New Vessels (as defined below) for which approval for acquisition is being sought in this Circular are the intended names of the New Vessels. The actual naming of the New Vessels will take place at the time of delivery.

SUMMARY OF APPROVALS SOUGHT

The Trustee-Manager seeks approvals from the unitholders of PST (“**Unitholders**”) for the resolutions stated below.

(1) The Proposed Acquisition of PST VALOUR, a 4,250 TEU Container Vessel (Hull No. C4250-24) (Ordinary Resolution)

The proposed acquisition of PST VALOUR, a container vessel (Hull No. C4250-24) with a capacity of 4,250 TEU (“**PST VALOUR**”) by the Trustee-Manager, as trustee-manager of PST, from Tranpac Holdings Inc., Panama, (“**Tranpac**”), a wholly-owned subsidiary of Pacific International Lines (Private) Limited (“**PIL**”), pursuant to the Trustee-Manager’s exercise of the right of first refusal granted by PIL to the Trustee-Manager, as trustee-manager of PST, as outlined in the prospectus issued by PST in connection with its initial public offering (the “**ROFR**”) and the entry into the conditional memorandum of agreement with Tranpac dated 14 September 2007 and its addendum dated 9 November 2007 in relation to PST VALOUR (the “**PST VALOUR Conditional Memorandum of Agreement**”). The purchase consideration for PST VALOUR is approximately US\$68.1 million. Assuming Unitholders’ approval is obtained for the proposed acquisition, PST VALOUR is expected to be delivered in early October 2008.

(2) The Proposed Acquisition of PST VICTORY, a 4,250 TEU Container Vessel (Hull No. C4250-25) (Ordinary Resolution)

The proposed acquisition of PST VICTORY, a container vessel (Hull No. C4250-25) with a capacity of 4,250 TEU (“**PST VICTORY**”), by the Trustee-Manager, as trustee-manager of PST, from Tranpac pursuant to the Trustee-Manager’s exercise of the ROFR and the entry into the conditional memorandum of agreement with Tranpac dated 14 September 2007 and its addendum dated 9 November 2007 in relation to PST VICTORY (the “**PST VICTORY Conditional Memorandum of Agreement**”). The purchase consideration for PST VICTORY is approximately US\$68.1 million. Assuming Unitholders’ approval is obtained for the proposed acquisition of PST VICTORY, it is expected to be delivered towards the end of November 2008.

(3) The Proposed Acquisition of KOTA NABIL, a 1,800 TEU Container Vessel (Hull No. CS1800-1) (Ordinary Resolution)

The proposed acquisition of KOTA NABIL, a container vessel (Hull No. CS1800-1) with a capacity of 1,800 TEU (“**KOTA NABIL**”), by the Trustee-Manager, as trustee-manager of PST, from Tranpac pursuant to the Trustee-Manager’s exercise of the ROFR and the entry into the conditional memorandum of agreement with Tranpac dated 27 November 2007 in relation to KOTA NABIL (the “**KOTA NABIL Conditional Memorandum of Agreement**”). The purchase

consideration for KOTA NABIL is US\$43.0 million. Assuming Unitholders' approval is obtained for the proposed acquisition of KOTA NABIL, it is expected to be delivered towards the end of March 2008.

(4) The Proposed Acquisition of KOTA NAGA, a 1,800 TEU Container Vessel (Hull No. CS1800-2) (Ordinary Resolution)

The proposed acquisition of KOTA NAGA, a container vessel (Hull No. CS1800-2) with a capacity of 1,800 TEU ("**KOTA NAGA**"), by the Trustee-Manager, as trustee-manager of PST, from Tranpac pursuant to the Trustee-Manager's exercise of the ROFR and the entry into the conditional memorandum of agreement with Tranpac dated 27 November 2007 in relation to KOTA NAGA (the "**KOTA NAGA Conditional Memorandum of Agreement**"). The purchase consideration for KOTA NAGA is US\$43.0 million. Assuming Unitholders' approval is obtained for the proposed acquisition of KOTA NAGA, it is expected to be delivered towards the end of May 2008.

The proposed acquisitions of PST VALOUR, PST VICTORY, KOTA NABIL and KOTA NAGA shall hereinafter be referred to collectively as the "**Proposed Acquisitions**" and PST VALOUR, PST VICTORY, KOTA NABIL and KOTA NAGA shall hereinafter be referred to collectively as the "**New Vessels**" and the PST VALOUR Conditional Memorandum of Agreement, PST VICTORY Conditional Memorandum of Agreement, KOTA NABIL Conditional Memorandum of Agreement and KOTA NAGA Conditional Memorandum of Agreement, shall hereinafter be referred to collectively as the "**Conditional Memoranda of Agreement**".

(5) The Proposed Charter of KOTA NABIL (Ordinary Resolution)

The proposed charter of KOTA NABIL to PIL pursuant to the conditional bareboat charter entered into between the Trustee-Manager, as trustee-manager of PST and PIL dated 27 November 2007 in relation to KOTA NABIL (the "**KOTA NABIL Conditional Bareboat Charter**"). The charter hire under the KOTA NABIL Conditional Bareboat Charter is fixed at US\$11,550 per day for a charter period of eight years. Assuming Unitholders' approval is obtained for the KOTA NABIL Conditional Bareboat Charter and the acquisition of KOTA NABIL, KOTA NABIL is expected to be chartered towards the end of March 2008.

(6) The Proposed Charter of KOTA NAGA (Ordinary Resolution)

The proposed charter of KOTA NAGA to PIL pursuant to the conditional bareboat charter entered into between the Trustee-Manager, as trustee-manager of PST and PIL dated 27 November 2007 in relation to KOTA NAGA (the "**KOTA NAGA Conditional Bareboat Charter**"). The charter hire under the KOTA NAGA Conditional Bareboat Charter is fixed at US\$11,550 per day for a charter period of eight years. Assuming Unitholders' approval is obtained for the KOTA NAGA Conditional Bareboat Charter and the acquisition of KOTA NAGA, KOTA NAGA is expected to be chartered towards the end of May 2008.

The proposed charters of KOTA NABIL and KOTA NAGA shall hereinafter be referred to collectively as the "**Proposed Charters**".

(7) The Proposed Provision of Ship Management Services by PIL to PST (Ordinary Resolution)

The proposed provision of ship management services by PIL to PST under the ship management agreement dated 14 September 2007 and its addendum dated 15 November 2007 entered into between the Trustee-Manager, as trustee-manager of PST, and PIL (the "**Ship Management Agreement**") pursuant to which PIL will provide ship management services in relation to PST VALOUR AND PST VICTORY at a rate of US\$90,000 per annum for each of PST VALOUR and PST VICTORY (the "**Ship Management Fee**"). Such ship management services will commence from the date of delivery of PST VALOUR.

(8) The Proposed Authorised Investment Supplement to the Trust Deed (Extraordinary Resolution)

The proposed amendment to the trust deed constituting PST dated 25 April 2006 (the “**Trust Deed**”) for the purpose of widening the scope of the Authorised Investment of PST to allow PST to invest in all types of vessels (the “**Authorised Investment Supplement**”).

(9) The Proposed Authorised Business Supplement to the Trust Deed (Extraordinary Resolution)

The proposed amendment to the Trust Deed to allow PST to carry on its authorised business through its subsidiaries and to make it clear that, incidental to the acquisition of vessels by PST or its subsidiaries, PST or its subsidiaries may commission ship builders to construct newbuildings or to convert existing vessels (the “**Authorised Business Supplement**”).

OVERVIEW OF THE RESOLUTIONS

RESOLUTIONS 1, 2, 3, 4, 5 AND 6: THE PROPOSED ACQUISITIONS AND THE PROPOSED CHARTERS

On 14 September 2007 and 27 November 2007, the Trustee-Manager entered into the respective Conditional Memoranda of Agreement with Tranpac to acquire the New Vessels pursuant to the right of first refusal granted by PIL (as the sponsor of PST’s initial public offering) in an agreement dated 25 April 2006 and entered into between the Trustee-Manager and PIL.

The Trustee-Manager entered into two time charter agreements on 17 May 2007 and their respective addenda on 9 November 2007 with a Chilean shipping company, Compania Sudamericana de Vapores (“**CSAV**”) pursuant to which PST VALOUR and PST VICTORY are chartered to CSAV (the “**CSAV Charter Agreements**”) for a five year charter period expected to commence in early October 2008 and towards the end of November 2008 respectively.

The Trustee-Manager also entered into the KOTA NABIL Conditional Bareboat Charter and the KOTA NAGA Conditional Bareboat Charter with PIL to charter KOTA NABIL and KOTA NAGA to PIL (the “**PIL Conditional Charter Agreements**”) for a eight year charter period.

The purchase price, the appraised value, the date of valuation and the independent valuers of the New Vessels (the “**Independent Valuers**”) are set out in the table below.

Vessel	Purchase Price	Appraised Value	Date of Valuation	Independent Valuer
PST VALOUR — Hull No. C4250-24	Approximately US\$68.1 million	US\$70.0 million	3 April 2007 ⁽¹⁾	Braemar Seascope Valuations Limited (“ Braemar Seascope ”)
PST VICTORY — Hull No. C4250-25	Approximately US\$68.1 million	US\$70.0 million	3 April 2007 ⁽¹⁾	Braemar Seascope
KOTA NABIL — Hull No. CS1800-1	US\$43.0 Million	US\$43.0 Million	23 October 2007	Howe Robinson Marine Evaluations Limited (“ Howe Robinson ”)
KOTA NAGA — Hull No. CS1800-2	US\$43.0 Million	US\$43.0 Million	23 October 2007	Howe Robinson
Total	US\$222.2 million	US\$226.0 million		

Note:

(1) Braemar Seascope has confirmed that as at 12 September 2007, the appraised values of PST VALOUR and PST VICTORY are maintained.

(Details on the New Vessels can be found in **Appendix A** of this Circular.)

The daily charter hire rate and the total charter hire for the respective charter periods in relation to KOTA NABIL and KOTA NAGA, under the PIL Conditional Charter Agreements are set out in the table below.

Vessel	Daily Charter Hire Rate	Total Charter Hire for the Charter Period
KOTA NABIL — Hull No. CS1800-1	US\$11,550	Approximately US\$33,726,000
KOTA NAGA — Hull No. CS1800-2	US\$11,550	Approximately US\$33,726,000

Unitholders' Approval

Interested Person Transaction

As at 15 January 2008, being the latest practicable date prior to the printing of this Circular ("**Latest Practicable Date**"), PIL holds interest in 116,613,000 Units (whether direct or deemed), which is equivalent to approximately 34.6% of the total number of Units then in issue ("**Existing Units**"), and is therefore regarded as a "controlling Unitholder" of PST under the Listing Manual of the SGX-ST (the "**Listing Manual**").

For the purposes of Chapter 9 of the Listing Manual, PIL (being a controlling Unitholder) is an "interested person" of PST for the purposes of the Proposed Charters while Tranpac, being a wholly-owned subsidiary of PIL, is an "interested person" of PST for the purposes of the Proposed Acquisitions.

Each of the Proposed Acquisitions and the Proposed Charters will constitute "interested person transactions" under Chapter 9 of the Listing Manual. As the charter hire payable to PIL for the charter period under the PIL Conditional Charter Agreements and the purchase price payable to Tranpac for the Proposed Acquisitions (the "**Total Purchase Consideration**") will exceed 5.0% of the net tangible assets ("**NTA**") of PST based on PST's audited financial statements for the financial year ended 31 December 2006 (the "**Audited Financial Statements**"), the Proposed Acquisitions and the Proposed Charters will require the approval of Unitholders.

RESOLUTIONS 3 AND 4 AND RESOLUTIONS 5 AND 6 ARE INTER-CONDITIONAL

Unitholders should note that the proposed acquisitions of KOTA NABIL and KOTA NAGA under Resolutions 3 and 4 are respectively subject to and conditional upon the passing of Resolutions 5 and 6 in relation to the proposed bareboat charters of KOTA NABIL and KOTA NAGA to PIL, and *vice versa*.

In the event that Unitholders' approval for the Proposed Acquisitions and the Proposed Charters is not obtained, the Conditional Memoranda of Agreement and the PIL Conditional Charter Agreements will be null and void and the Trustee-Manager and Tranpac and PIL will have no claims whatsoever against the other.

In addition, the CSAV Charter Agreements describe the owner of PST VALOUR and PST VICTORY as the Trustee-Manager or its nominee. PIL and the Trustee-Manager have agreed that in the event the Unitholders' approval for any of the proposed acquisitions of PST VALOUR and PST VICTORY is not obtained, PIL (or any of its subsidiaries as may be nominated by the Trustee-Manager) will perform the obligations under the corresponding CSAV Charter Agreements as the owner of PST VALOUR or PST VICTORY, as the case may be, in the Trustee-Manager's place.

Rationale for the Proposed Acquisitions

PST's acquisition growth strategy is underpinned by its key financial objective to provide Unitholders with a competitive rate of return on their investment, by offering regular and stable distributions to Unitholders and long-term growth prospects in distributions and net asset value ("**NAV**") per Unit. In this regard, the Trustee-Manager adopts a rigorous and disciplined investment approach in evaluating its vessel acquisition.

The Trustee-Manager believes that the Proposed Acquisitions will bring the following benefits to Unitholders:

- (i) Yield accretion
- (ii) Expanded charter portfolio and income diversification
- (iii) Increase in Charter Income
- (iv) Increase in the number of vessels generating greater economies of scale
- (v) Competitive strengths of the New Vessels
 - Constructed by a reputable shipyard
 - Newly constructed
 - Reputable charterer
 - Long term charter ensures steady income stream
- (vi) Reaffirmation of PIL's long-term commitment to and confidence in PST's prospects

Each of these benefits is elaborated upon in paragraph 4 of the Letter to Unitholders below.

Rationale for the Proposed Charters

The Trustee-Manager believes that the Proposed Charters will bring the following benefits to Unitholders:

- (i) Increase in stable Charter Income through credit-worthy charterer
- (ii) Long term charter minimises PST's risk exposure to fluctuating market conditions

Each of these benefits is elaborated upon in paragraph 5 of the Letter to Unitholders below.

Method of Financing

The Trustee-Manager currently intends to fund the Proposed Acquisitions wholly with debt finance, although the final financing structure will be subject to further evaluation by the Trustee-Manager. In determining the appropriate financing for PST in respect of the Proposed Acquisitions, the Trustee-Manager will take into account, amongst others, prevailing market conditions and the relative costs of financing.

RESOLUTION 7: THE PROPOSED PROVISION OF SHIP MANAGEMENT SERVICES BY PIL TO PST

The Trustee-Manager has entered into the Ship Management Agreement with PIL on 14 September 2007, the commencement of which is subject to Unitholders' approval.

Unitholders' Approval

Interested Person Transaction

The annual Ship Management Fee, when aggregated with the Total Purchase Consideration and the total charter hire of the Proposed Charters under the PIL Conditional Charter Agreements will exceed 5.0% of the NTA of PST based on its Audited Financial Statements.

Therefore, the proposed provision of ship management services by PIL to PST under the Ship Management Agreement will constitute an "interested person transaction" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

Unitholders should note that the resolution for the provision of ship management services by PIL to PST in respect of PST VALOUR and PST VICTORY is conditional upon the respective approvals for the proposed acquisition of PST VALOUR and PST VICTORY being obtained.

Rationale for the proposed Provision of Ship Management Services by PIL

The Trustee-Manager believes the provision of ship management services by PIL to PST and the entry into the Ship Management Agreement by Trustee-Manager, as trustee-manager of PST, offers the following key benefits to Unitholders:

- (i) Continuity
- (ii) PIL has relevant operational experience
- (iii) PIL will be able to generate economies of scale due to its large fleet

Each of these benefits is elaborated upon in paragraph 7 of the Letter to Unitholders below.

RESOLUTION 8: THE PROPOSED AUTHORISED INVESTMENT SUPPLEMENT

The Trustee-Manager proposes to supplement the Trust Deed for the purpose of widening the scope of the Authorised Investment of PST to allow PST to invest in all types of vessels.

RESOLUTION 9: THE PROPOSED AUTHORISED BUSINESS SUPPLEMENT

The Trustee-Manager proposes to supplement the Trust Deed to allow PST to carry on its authorised business through its subsidiaries and to make it clear that, incidental to the acquisition of vessels by PST or its subsidiaries, PST or its subsidiaries may commission shipbuilders to construct newbuildings or to convert existing vessels.

INDICATIVE TIMETABLE

<u>Event</u>	<u>Date and Time</u>
Last date and time for lodgement of Proxy Forms	: 20 February 2008 at 2.00 p.m.
Date and time of EGM	: 22 February 2008 at 2.00 p.m.

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Trustee-Manager's absolute discretion. The Trustee-Manager intends to announce any changes (including any determination of the relevant dates) to the timetable above once the Trustee-Manager becomes aware of such changes.

PACIFIC SHIPPING TRUST

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

Directors

Mr Benedict Kwek Gim Song
Mr David Chin Soon Siong
Mr Lee Soo Hoon
Mr Eugene Ooi Chin Chai
Mr Jones Christopher Adrian
Mr Kuan Kim Kin
Mr Teo Choo Wee
Mr Subhangshu Dutt

Registered Office

140 Cecil Street
#09-01 PIL Building
Singapore 069540

28 January 2008

To: Unitholders of Pacific Shipping Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS REQUIRED

The following paragraphs summarise the approvals which the Trustee-Manager is seeking from Unitholders. Approval by way of an Ordinary Resolution is required in respect of the resolutions relating to the Proposed Acquisitions (Resolutions 1, 2, 3 and 4), the Proposed Charters (Resolutions 5 and 6) and the proposed provision of Ship Management Services by PIL to PST (Resolution 7) while approval by way of an Extraordinary Resolution is required in respect of the resolutions relating to the Authorised Investment Supplement (Resolution 8) and the Authorised Business Supplement (Resolution 9).

1.1 Resolutions 1, 2, 3 and 4: The Proposed Acquisitions (Ordinary Resolutions)

PIL holds interest in 116,613,000 Units (direct and deemed) as at the Latest Practicable Date, which is equivalent to approximately 34.6% of the Existing Units, and is therefore regarded as a "controlling Unitholder" of PST under the Listing Manual. For the purposes of Chapter 9 of the Listing Manual, Tranpac, being a wholly-owned subsidiary of PIL, a controlling Unitholder, is an "interested person" of PST for the purposes of the Proposed Acquisitions.

Therefore, the Proposed Acquisitions will constitute "interested person transactions" under Chapter 9 of the Listing Manual.

Approval of Unitholders is sought because the Total Purchase Consideration exceeds the aforementioned threshold stated in Chapter 9 of the Listing Manual.

In compliance with the requirements of the Listing Manual, the Trustee-Manager is therefore seeking Unitholders' approval for each of the Proposed Acquisitions.

Tranpac and its associates (including PIL and the Trustee-Manager) will not vote on the resolutions relating to the Proposed Acquisitions.

(See paragraphs 2, 3 and 6 for further details on the Proposed Acquisitions.)

Unitholders should also note that the proposed acquisitions of KOTA NABIL and KOTA NAGA under Resolutions 3 and 4 are respectively subject to and conditional upon the passing of Resolutions 5 and 6 in relation to the proposed bareboat charters of KOTA NABIL and KOTA NAGA to PIL and *vice versa*.

1.2 Resolutions 5 and 6: The Proposed Charters (Ordinary Resolutions)

The Trustee-Manager proposes to charter KOTA NABIL and KOTA NAGA to PIL and has entered into the PIL Conditional Charter Agreements with PIL dated 27 November 2007 in relation to KOTA NABIL and KOTA NAGA. The charter hire of each of KOTA NABIL and KOTA NAGA under the PIL Conditional Charter Agreements is fixed at US\$11,550 per day for a charter period of eight years. KOTA NABIL and KOTA NAGA are expected to be chartered towards the end of March 2008 and May 2008 respectively. As PIL is a controlling Unitholder of PST and is therefore an “interested person” under the Listing Manual, the Proposed Charters will constitute “interested person transactions” under Chapter 9 of the Listing Manual. Chapter 9 of the Listing Manual requires, among others, approval of Unitholders for an “interested person transaction” if the value thereof exceeds 5.0% of the latest audited NTA of PST. The total charter hire of the Proposed Charters under the PIL Conditional Charter Agreements will exceed 5.0% of the NTA of PST based on PST’s Audited Financial Statements. Therefore, the Proposed Charters are conditional upon Unitholders’ approval under Chapter 9 of the Listing Manual.

In compliance with the requirements of the Listing Manual, the Trustee-Manager is therefore seeking Unitholders’ approval for the Proposed Charters.

(See paragraphs 4, 5 and 6 for further details on the Proposed Charters.)

Unitholders should also note that the proposed bareboat charters of KOTA NABIL and KOTA NAGA to PIL under Resolutions 5 and 6 are respectively subject to and conditional upon the passing of Resolutions 3 and 4 in relation to proposed acquisitions of KOTA NABIL and KOTA NAGA.

1.3 Resolution 7: The Proposed Provision of Ship Management Services by PIL to PST (Ordinary Resolution)

The Trustee-Manager has entered into the Ship Management Agreement with PIL on 14 September 2007 pursuant to which PIL will provide ship management services in relation to PST VALOUR and PST VICTORY at a rate of US\$90,000 per annum for each of PST VALOUR and PST VICTORY.

As PIL is a controlling Unitholder of PST and is therefore an “interested person” under the Listing Manual, the proposed provision of ship management services by PIL to PST under the Ship Management Agreement will constitute an “interested person transaction” under Chapter 9 of the Listing Manual. Chapter 9 of the Listing Manual requires, among others, approval of Unitholders for an “interested person transaction” if the value thereof exceeds 5.0% of the latest audited NTA of PST. The annual Ship Management Fee, when aggregated with the Total Purchase Consideration and the total charter hire of the Proposed Charters payable by PIL under the PIL Conditional Charter Agreements, will exceed 5.0% of the NTA of PST based on PST’s Audited Financial Statements. Therefore, the proposed provision of ship management services by PIL to PST under the Ship Management Agreement is conditional upon Unitholders’ approval under Chapter 9 of the Listing Manual.

In compliance with the requirements of the Listing Manual, the Trustee-Manager is therefore seeking Unitholders’ approval for the proposed provision of ship management services by PIL to PST pursuant to the Ship Management Agreement.

PIL and its associates (including the Trustee-Manager) will not vote on the resolution relating to the proposed provision of ship management services by PIL to PST pursuant to the Ship Management Agreement.

(See paragraph 7 for further details on the proposed provision of ship management services by PIL.)

Unitholders should note that the resolution for the provision of ship management services by PIL to PST is conditional upon the approval for the proposed acquisition of PST VALOUR and PST VICTORY being obtained.

1.4 Resolution 8: The Proposed Authorised Investment Supplement (Extraordinary Resolution)

The Trustee-Manager proposes to supplement the Trust Deed for the purpose of widening the scope of the Authorised Investment of PST to allow PST to invest in all types of vessels.

(See paragraph 8 for further details on the Authorised Investment Supplement.)

1.5 Resolution 9: The Proposed Authorised Business Supplement (Extraordinary Resolution)

The Trustee-Manager proposes to supplement the Trust Deed to allow PST to carry on its authorised business through its subsidiaries and to make it clear that, incidental to the acquisition of vessels by PST or its subsidiaries, PST or its subsidiaries may commission shipbuilders to construct newbuildings or to convert existing vessels.

(See paragraph 9 for further details on the Authorised Business Supplement.)

2. THE PROPOSED ACQUISITIONS

2.1 Descriptions of the New Vessels

Detailed information about the New Vessels is set out in **Appendix A** of this Circular.

2.2 Certain Terms of the Conditional Memoranda of Agreement

The New Vessels will be purchased directly by PST. The Trustee-Manager has entered into the PST VALOUR Conditional Memorandum of Agreement and the PST VICTORY Conditional Memorandum of Agreement with Tranpac on 14 September 2007 (and the respective addenda to the PST VALOUR Conditional Memorandum of Agreement and the PST VICTORY Conditional Memorandum of Agreement on 9 November 2007) and the KOTA NABIL Conditional Memorandum of Agreement and the KOTA NAGA Conditional Memorandum of Agreement on 27 November 2007. The principal terms of the Conditional Memoranda of Agreement include, among others, the following:

- PST VALOUR and PST VICTORY are expected to be completed and delivered to PST in early October 2008 and towards the end of November 2008 respectively;
- KOTA NABIL and KOTA NAGA are expected to be completed and delivered to PST towards the end of March 2008 and May 2008 respectively;
- No penalties will be payable by Tranpac for delays on delivery of each of PST VALOUR and PST VICTORY for up to approximately 10 months;
- No penalties will be payable by Tranpac for delays on delivery of each of KOTA NABIL and KOTA NAGA for up to approximately 15 months;
- The purchase price for each of the New Vessels shall be paid in full, free of bank charges, to Tranpac on delivery of each of the New Vessels, but not later than three Banking days after each of the New Vessels is in every respect physically ready for delivery in accordance with the terms and conditions of the Conditional Memoranda of Agreement and the notice of readiness for delivery has been given in accordance with the Conditional Memoranda of Agreement;
- In relation to PST VALOUR and PST VICTORY, a deposit of 5.0% of the purchase consideration (the "**Deposit**") will be payable in cash or in the form of a bank guarantee issued to Tranpac within three Banking days of the approval of Unitholders at the EGM with

the balance 95.0% payable to Tranpac upon delivery of PST VALOUR and PST VICTORY. Where the Deposit is paid in the form of cash, the remaining 95.0% will be payable within three Banking days of delivery. Where the Deposit is paid in the form of a bank guarantee, upon delivery of the New Vessels, 100.0% of the purchase price will be payable to Tranpac and the bank guarantee will be discharged fully;

- No deposit is payable for KOTA NABIL and KOTA NAGA;
- Each of the New Vessels with everything belonging to her shall be at Tranpac's risk and expense until she is delivered to PST, but subject to the terms and conditions of the Conditional Memoranda of Agreement, she shall be delivered and taken over on an "as is" basis concurrently with the delivery from the shipyard;

Notwithstanding the foregoing, each of the New Vessels shall be delivered with her class maintained without condition or recommendation, free of average damage affecting the relevant New Vessel's class, and with her classification certificates and national certificates, as well as all other certificates that the relevant New Vessel has at the time of inspection, valid and unextended without condition or recommendation by class or the relevant authorities at the time of delivery;

- Tranpac warrants that each of the New Vessels, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever. Tranpac undertakes to indemnify PST against all consequences of claims made against any of the New Vessels which have been incurred prior to the time of delivery;
- The PST VALOUR Conditional Memorandum of Agreement and PST VICTORY Conditional Memorandum of Agreement are governed by the laws of Singapore. Any dispute arising out of the PST VALOUR Conditional Memorandum of Agreement and PST VICTORY Conditional Memorandum of Agreement shall be referred to arbitration at Singapore and subject to such arbitration procedures applicable in Singapore; and
- The KOTA NABIL Conditional Memorandum of Agreement and the KOTA NAGA Conditional Memorandum of Agreement are governed by the laws of Singapore. Any dispute arising out of the KOTA NABIL Conditional Memorandum of Agreement and the KOTA NAGA Conditional Memorandum shall be referred to arbitration at the Singapore Chamber of Maritime Arbitration, subject to the procedures and rules of the Singapore Chamber of Maritime Arbitration which rules are deemed incorporated in the KOTA NABIL Conditional Memorandum of Agreement and the KOTA NAGA Conditional Memorandum of Agreement.

2.3 Conditions Precedent for the Completion

Under the Conditional Memoranda of Agreement, completion of each of the Proposed Acquisitions is subject to and conditional upon the prior approval from the Unitholders, such approval to be obtained within six months in relation to PST VALOUR and PST VICTORY and within four months in relation to KOTA NABIL and KOTA NAGA or such other date as may be mutually agreed by the Trustee-Manager and Tranpac from the date of the Conditional Memoranda of Agreement, such date being 14 September 2007 for PST VALOUR and PST VICTORY and 27 November 2007 for KOTA NABIL and KOTA NAGA. In the event that Unitholders' approval is not obtained within the prescribed time, the Conditional Memoranda of Agreement will be null and void and the Trustee-Manager and Tranpac will have no claims whatsoever against the other.

The KOTA NABIL Conditional Memorandum of Agreement and the KOTA NAGA Conditional Memorandum of Agreement are also subject to the condition precedent that PIL Conditional Charter Agreements remain validly subsisting and binding on PIL and are not cancelled and that all conditions precedent under the PIL Conditional Charter Agreements have been satisfied or waived.

2.4 Estimated Acquisition Cost

The current estimated total acquisition cost is approximately US\$224.0 million, comprising:

- (i) the Total Purchase Consideration of approximately US\$222.2 million;
 - (ii) the acquisition fee¹ of approximately US\$1.36 million (the “**Acquisition Fees**”) being 1.0% of the acquisition price for PST VALOUR and PST VICTORY; and
 - (iii) the estimated professional and other fees and expenses incurred by PST in connection with the Proposed Acquisitions of approximately US\$0.48 million,
- (collectively, the “**Total Acquisition Cost**”).

The Trustee-Manager may elect to receive the Acquisition Fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), subject to the Trust Deed.

2.5 Valuations

The following table sets out the appraised value in US dollars, the date of valuation and the Independent Valuers in relation to the New Vessels.

Vessel	Purchase Price	Appraised Value	Date of Valuation	Independent Valuer
PST VALOUR — Hull No. C4250-24	Approximately US\$68.1 million	US\$70.0 million	3 April 2007 ⁽¹⁾	Braemar Seascope
PST VICTORY — Hull No. C4250-25	Approximately US\$68.1 million	US\$70.0 million	3 April 2007 ⁽¹⁾	Braemar Seascope
KOTA NABIL — Hull No. CS1800-1	US\$43.0 million	US\$43.0 million	23 October 2007	Howe Robinson
KOTA NAGA — Hull No. CS1800-2	US\$43.0 million	US\$43.0 million	23 October 2007	Howe Robinson
Total	US\$222.2 million	US\$226.0 million		

Note:

- ⁽¹⁾ Braemar Seascope has confirmed that as at 12 September 2007, the appraised values of PST VALOUR and PST VICTORY are maintained.

(See **Appendix C** of this Circular for the valuation certificates issued by the Independent Valuers in relation to each of the New Vessels.)

3. THE RATIONALE FOR THE PROPOSED ACQUISITIONS

PST’s acquisition growth strategy is underpinned by its key financial objective to provide its Unitholders with a competitive rate of return on their investment, by offering regular and stable distributions and long-term growth prospects in distributions and NAV per Unit. In this regard, the Trustee-Manager adopts a rigorous and disciplined investment approach in evaluating and structuring PST’s vessel acquisitions. The Proposed Acquisitions are in line with PST’s overall strategy.

The Trustee-Manager believes that the Proposed Acquisitions will bring the following key benefits to Unitholders:

¹ No acquisition fee will be charged by the Trustee-Manager in relation to the acquisitions of KOTA NABIL and KOTA NAGA.

3.1 Yield Accretion

The Trustee-Manager expects the Proposed Acquisitions to improve the DPU enjoyed by Unitholders, as the New Vessels have been, acquired at attractive prices relative to the cash flows they are expected to generate.

(See paragraph 6.2.1 for details on the improvement to DPU expected to arise from the Proposed Acquisitions.)

3.2 Expanded Charter Portfolio and Income Diversification

Subject to Unitholders' approval, when the Proposed Acquisitions are completed and the four vessels are delivered to PST, the acquisitions and the chartering to CSAV and PIL are expected to improve the income growth of PST. The chartering of PST VALOUR and PST VICTORY are also expected to improve the income diversification of PST, thereby reducing the reliance by PST on income streams from the single charterer, PIL. This is consistent with the Trustee-Manager's long-term aim of diversifying its source of Charter Income. The Proposed Acquisitions are also in line with PST's overall growth strategy and will increase PST's TEU capacity and allow PST to diversify and grow its portfolio. The four vessels will represent, in aggregate, an increase of 87.0% in slot capacity over PST's Existing Portfolio. Overall, the Proposed Acquisitions and the Proposed Charter will increase PST's current aggregate contracted revenue by 79.0% to approximately US\$61.9 million per annum. In this respect, although it is customary in the shipping industry to involve an intermediary, the CSAV Charter Agreements were negotiated and concluded directly between the Trustee-Manager and CSAV and no commission is payable by PST to any third party intermediary, hence representing savings for PST.

The principal terms of the CSAV Charter Agreements include, among others, the following:

- Each of the New Vessels will be time chartered to CSAV at an agreed charter rate of US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years; and
- An option is granted by PST to CSAV to reduce or extend the charter period for 45 days.

3.3 Increase in Charter Income

PST has entered into long-term time charters of five years for PST VALOUR and PST VICTORY and the two new 4,250 TEU container vessels will be chartered at US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years, which the Trustee-Manager believes will underpin the stability of the charter income for PST.

3.4 Increase in the Number of Vessels Generating Greater Economies of Scale

The Proposed Acquisitions will increase the number of Vessels from eight to 12. The Proposed Acquisitions would enlarge the portfolio of PST and this could potentially lower trust expenses (such as public relations, legal, regulatory and other costs) per vessel in relation to the Enlarged Portfolio.

3.5 Competitive Strengths of the New Vessels

The competitive strength of the Vessels and their charterers are as follows:

3.5.1 Constructed by a Reputable Shipyard

The New Vessels were engineered and are being constructed by Dalian Shipbuilding Industry Co., Ltd (“**Dalian Shipbuilding**”) under the supervision of PIL. The Trustee-Manager believes that investing in vessels constructed by reputable shipyards will support their value in the secondary market for container ships.

3.5.2 Newly Constructed

As the New Vessels will be newly built, this will result in lower maintenance and repair costs. The Trustee-Manager believes that the workmanship of the Dalian Shipbuilding is of a high quality which enhances durability of the New Vessels, thus reducing the operating and maintenance costs which would be relatively higher on older vessels.

3.5.3 Reputable Charterer

PST VALOUR and PST VICTORY, when delivered, will be chartered to CSAV at US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years which the Trustee-Manager believes will underpin the stability of the charter income for PST. CSAV, a Chilean publicly traded shipping company, was founded in 1872 and is one of the oldest shipping companies in the world. It is presently the largest carrier in Latin America and is ranked 17th among the world’s top 20 carriers in the world² and operates 86 ships with a total slot capacity of about 257,007 TEU which makes up approximately 2.2% of the global market share.

KOTA NABIL and KOTA NAGA, when delivered, will be chartered to PIL at US\$11,550 per day for eight years which the Trustee-Manager believes will further underpin the stability of the charter income for PST. PIL is Singapore’s second largest container shipping line and is among the top 20 carriers in the world (ranked #19)³ and is rated BBB- by Standard & Poors.

3.5.4 Long Term Charter ensures steady income stream

PST has entered into charters of five years for PST VALOUR and PST VICTORY and charters of eight years for KOTA NABIL and KOTA NAGA. This will provide PST with stable income for distribution to Unitholders.

4. THE PROPOSED CHARTERS

4.1 Certain Terms of the PIL Conditional Charter Agreements

In connection with the Proposed Charters, the Trustee-Manager has entered into the PIL Conditional Charter Agreements with PIL on 27 November 2007. The principal terms of the PIL Conditional Charter Agreements include, among others, the following:

- KOTA NABIL and KOTA NAGA are expected to be chartered towards the end of March 2008 and May 2008 respectively;
- No penalties will be payable by the Trustee-Manager for delays on delivery of each of KOTA NABIL and KOTA NAGA for up to approximately 15 months;

² Source: AXS Marine 23 Jan 08 — AXS-Alphaliner Top 100.

³ Source: AXS Marine as of 23 Jan 08 — AXS-Alphaliner Top 100.

- The charter hire of each of KOTA NABIL and KOTA NAGA will be fixed at US\$11,550 per day;
- The charter period will be for eight years; and
- PIL shall indemnify the Trustee-Manager against any loss, damage or expense incurred by the Trustee-Manager arising out of or in relation to the operation of KOTA NABIL and KOTA NAGA by PIL and against any lien of whatsoever nature arising out of an event occurring during the charter period.

4.2 Condition Precedent

Under the PIL Conditional Charter Agreements, completion of each of the Proposed Charters is subject to and conditional upon the prior approval from the Unitholders, such approval to be obtained within four months or such other date as may be mutually agreed by the Trustee-Manager and PIL from the date of the PIL Conditional Charter Agreements, such date being 27 November 2007. In the event that Unitholders' approval is not obtained within the prescribed time, the PIL Conditional Charter Agreements will be null and void and the Trustee-Manager and PIL will have no claims whatsoever against the other.

5. THE RATIONALE FOR THE PROPOSED CHARTERS

The Trustee-Manager believes that the Proposed Charters will bring the following key benefits to Unitholders:

5.1 Increase in Stable Charter Income through Credit-Worthy Charterer

KOTA NABIL and KOTA NAGA, when delivered, will be chartered to PIL at US\$11,550 per day for eight years which the Trustee-Manager believes will further secure a stable stream of additional charter income for PST. The Trustee-Manager believes that having a credit-worthy charterer like PIL will ensure a stable income stream for PST.

5.2 Long Term Charter Minimises PST's Risk Exposure to Fluctuating Market Conditions

As KOTA NABIL and KOTA NAGA, when delivered, will be bareboat chartered to PIL at a fixed rate for eight years, the Trustee-Manager believes that this will minimise PST's risk exposure to fluctuating market conditions inherent in the shipping industry.

6. DETAILS OF THE PROPOSED ACQUISITIONS AND THE PROPOSED CHARTERS

6.1 Certain Unaudited Pro Forma Financial Information Relating to the Proposed Acquisitions and Proposed Charters

The following table presents a summary of certain Unaudited Pro Forma Financial Information in relation to the Proposed Acquisitions and the Proposed Charters, assuming that (i) the Proposed Acquisitions and the Proposed Charters were completed and commenced, as the case may be, on 26 May 2006; and (ii) the income from the charter of the New Vessels accrues to PST from 27 May 2006; and (iii) 100.0% distribution of the distributable income from the Proposed Acquisitions and the Proposed Charters.

	Financial Period (27 May 2006 to 31 December 2006)		
	Existing Portfolio	Proposed Acquisitions and Proposed Charters ⁽¹⁾	Enlarged Portfolio (comprising the Existing Portfolio and the Proposed Acquisitions and the Proposed Charters)
	US\$'000	US\$'000	US\$'000
Gross Revenue	20,717	16,291	37,008
Operating Expenses	13,852	16,268	30,120
Profit Before Tax	6,865	23	6,888
Annualised DPU Yield (%)	9.2		12.0

Note:

- (1) See **Appendix B** of this Circular for the detailed Unaudited Pro Forma Financial Information in relation to the Proposed Acquisitions and the Proposed Charters, and the key assumptions relied on in calculating, among others, the pro forma financial effects of the Proposed Acquisitions and the Proposed Charters.

6.2 Unaudited Pro Forma Financial Information of the Proposed Acquisitions and Proposed Charters

The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the Audited Financial Statements, taking into account the Total Acquisition Cost of the New Vessels and assuming that:

- (i) the Total Purchase Consideration of approximately US\$222.2 million will be 100.0% financed by debt, and no new units will be issued at the time of acquisition.
- (ii) the additional borrowings of US\$222.2 million to be incurred by PST will be fully used to finance the Proposed Acquisitions.
- (iii) the Proposed Acquisitions are made by PST, with the income from the Proposed Acquisitions and Proposed Charters accruing to PST from 27 May 2006.
- (iv) the management fee and Acquisition Fee to the Trustee-Manager is paid in the form of cash.

6.2.1 Unaudited Pro Forma DPU

The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on PST's DPU for the financial year ended 31 December 2006, assuming the Proposed Acquisitions and the Proposed Charters were completed since PST's Listing Date (26 May 2006), and held for the financial period ended 31 December 2006, are as follows:

	Existing Portfolio	Enlarged Portfolio
Net income before tax (US\$'000)	6,865	6,888 ⁽¹⁾
Distributable income (US\$'000)	8,372	10,916 ⁽²⁾
Units in issue ('000)	337,000	337,000 ⁽³⁾
DPU (US cents)	2.48 ⁽⁴⁾	3.24 ⁽⁴⁾

Notes:

- (1) Includes PST's charter income from the Proposed Charters and deducting the additional finance costs, management fee and trust expenses incurred in connection with the Proposed Acquisitions and the

Proposed Charters. The net income before tax was derived after deducting interest costs and depreciation, but before deduction of income tax expenses from interest income from fixed deposits.

- (2) Distribution for 2006 was based on 100.0% of distributable income, except for interest income from fixed deposits of US\$0.10 million, which was retained for working capital.
- (3) Units in issue as at 26 May 2006 was 337,000,000. There were no new Units issued thereafter.
- (4) Computed based on the distributable income of the Existing/Enlarged Portfolio for the financial year ended 31 December 2006 over the number of Units in issue as at 31 December 2006.

6.2.2 Unaudited Pro Forma NAV

The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on the NAV per Unit as at 31 December 2006, based on the assumptions described above and in **Appendix B** are set out in the table below:

	As at 31 December 2006	
	Existing Portfolio	Enlarged Portfolio
NAV (US\$'000)	148,636 ⁽¹⁾	146,115 ⁽²⁾
Units in issue ('000)	337,000 ⁽³⁾	337,000 ⁽³⁾
NAV per Unit (US\$)	0.441	0.434 ⁽⁴⁾

Notes:

- (1) Based on the Audited Financial Statements.
- (2) Based on the Audited Financial Statements, and adjusted for the impact arising from the Proposed Acquisitions and the Proposed Charters.
- (3) Actual Number of Units in issue as at 31 December 2006.
- (4) The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on the NAV per Unit as at 31 December 2006 are based on the following assumptions: (i) 100.0% loan financing for all Proposed Acquisitions; and (ii) the asset value of the Enlarged Portfolio are assumed to be at the depreciated net book value as at 31 December 2006.

6.3 Method of Financing

The Trustee-Manager currently intends to fund the Proposed Acquisitions wholly with debt finance although the final financing structure will be subject to further evaluation by the Trustee-Manager. In determining the appropriate financing for PST in respect of the Proposed Acquisitions, the Trustee-Manager will take into account, amongst others, prevailing market conditions and the relative costs of financing.

6.4 Requirement for Unitholders' Approval

Interested Person Transaction

Under Chapter 9 of the Listing Manual, where PST proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of PST's and its associate's latest audited NTA, Unitholders' approval is required in respect of the transaction. Based on PST's Audited Financial Statements, the NTA of PST was US\$148.6 million as at 31 December 2006. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by PST with an interested person and/or its associate is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person and/or its associate during the current financial year, equal to or in excess of US\$7.4 million, such a transaction would be subject to Unitholders' approval. Given that the Total Purchase Consideration is approximately US\$222.2 million, the value of the Proposed Acquisitions exceeds the said threshold.

As at the Latest Practicable Date, PIL holds interest (whether directly or indirectly) in 116,613,000 Units, (which is equivalent to approximately 34.6% of Existing Units) and is therefore regarded as a “controlling Unitholder” of PST under the Listing Manual. The Trustee-Manager does not hold any Units.

For the purposes of Chapter 9 of the Listing Manual, Tranpac, being a wholly-owned subsidiary of PIL, is an associate of PIL and is therefore an “interested person” of PST. Accordingly, the Proposed Acquisitions from Tranpac are subject to Unitholders’ approval under Chapter 9 of the Listing Manual.

As regards the Proposed Charters to the controlling Unitholder, PIL, under the PIL Conditional Charter Agreements, PIL is an “interested person” of PST and the total charter hire will exceed 5.0% of the NTA of PST based on PST’s Audited Financial Statements. Therefore, the Proposed Charters would constitute “interested person transactions” under Chapter 9 of the Listing Manual for which Unitholders’ approval under Chapter 9 of the Listing Manual is required and it is provided in the PIL Conditional Charter Agreements that performance thereunder is conditional upon Unitholders’ approval being obtained.

6.5 Advice of the Independent Financial Adviser

Pursuant to Rule 921(4) of the Listing Manual, the Trustee-Manager has appointed PricewaterhouseCoopers Corporate Finance Pte Ltd, an independent financial adviser (the “**IFA**”), to advise its audit committee (the “**Audit Committee**”) in relation to the Proposed Acquisitions and the Proposed Charters. A copy of the letter from the IFA to the Audit Committee (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and made the assumptions set out in its letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Acquisitions and the Proposed Charters are based on normal commercial terms and are not prejudicial to the interests of PST and its minority Unitholders.

The IFA has therefore advised the Audit Committee to recommend that Unitholders vote in favour of the Proposed Acquisitions and the Proposed Charters.

6.6 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, none of the Directors has any interest in the Units.

Mr Kuan Kim Kin is a Director and an executive director of PIL.

PIL has interest (whether directly or indirectly) in 116,613,000 Units (comprising approximately 34.6% of the Existing Units) as at the Latest Practicable Date. The Trustee-Manager does not hold any Units.

Save as disclosed above and based on information available to the Trustee-Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST.

6.7 Directors' Service Contracts

No person is proposed to be appointed as a director of the Trustee-Manager in connection with the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST or any other transaction contemplated in relation to the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST.

7. THE PROPOSED PROVISION OF SHIP MANAGEMENT SERVICES BY PIL TO PST

7.1 The Proposed Ship Management Agreement

The Trustee-Manager has entered into the Ship Management Agreement with PIL in relation to PST VALOUR and PST VICTORY on 14 September 2007 and its addendum dated 15 November 2007. Under the Ship Management Agreement, PST VALOUR and PST VICTORY will be managed by PIL in accordance with the terms of the Ship Management Agreement.

The Ship Management Fee was arrived at on an arm's length basis. The Trustee-Manager has determined, from a comparison of PIL's proposed ship management fees against quotations obtained from another third party ship manager, that PIL's ship management fees are comparable to the fees quoted by that third party ship manager.

7.2 Certain Terms of the Ship Management Agreement

Under the Ship Management Agreement, ship management services in relation to PST VALOUR and PST VICTORY will be provided by PIL commencing from the date of delivery of the first vessel, PST VALOUR. The fees for the provision of such ship management services will be calculated based on the term of provision of such ship management services for each ship. The principal terms of the Ship Management Agreement include, among others, the following:

- Ship management services will be performed at a rate of US\$90,000 per annum for each of PST VALOUR and PST VICTORY;
- PIL will provide services including but not limited to, the following:

(i) Crew management services

PIL will select and engage suitably qualified crew as required by PST, ensure that the laws of the flag of PST VALOUR and PST VICTORY are satisfied in respect of manning levels, rank qualification and certification of the crew, and provide other general administrative services in relation to the crew.

(ii) Technical management services

PIL will provide competent personnel to supervise the maintenance and general efficiency of PST VALOUR and PST VICTORY, arrange and supervise dry dockings, repairs, alterations and the upkeep of PST VALOUR and PST VICTORY to the standards required by PST, and also develop, implement and maintain a safety management system in accordance with the ISM Code.

(iii) Accounting Services

PIL will establish and maintain an accounting system which meets the requirements of PST, provide regular accounting services, and supply regular reports and records to PST, and

- PST will have the right at any time after giving reasonable notice to PIL to inspect PST VALOUR and PST VICTORY for any reason they consider necessary.

The Ship Management Agreement is governed by and construed in accordance with the laws of Singapore and any dispute arising out of or in connection with the Ship Management Agreement will be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration.

7.3 Rationale for the proposed Provision of Ship Management Services by PIL

The Trustee-Manager believes the provision of ship management services by PIL to PST in relation to PST VALOUR and PST VICTORY and the entry into the Ship Management Agreement by the Trustee-Manager offers the following key benefits to Unitholders:

7.3.1 Continuity

The construction of PST VALOUR and PST VICTORY is supervised by PIL's technical team. To ensure continuity and smooth vessel operation after construction, it would be beneficial to PST that PIL continues to provide ship management services in relation to PST VALOUR and PST VICTORY after they are delivered. In particular, during the guarantee period in the first year when defects, covered under the guarantee agreements for PST VALOUR and PST VICTORY, can be rectified without additional cost to PST, PIL would, having supervised the construction of PST VALOUR and PST VICTORY, have the requisite technical background knowledge to identify any technical and operational defects with PST VALOUR and PST VICTORY. In addition, PIL's intimate knowledge of the technical and operational intricacies of PST VALOUR and PST VICTORY's design would facilitate their management of PST VALOUR and PST VICTORY.

7.3.2 PIL has Relevant Operational Experience

PIL currently has four sister vessels of similar specifications as PST VALOUR and PST VICTORY which are already in operation and the experience from the operation of these vessels can be effectively harnessed when operating PST VALOUR and PST VICTORY for PST.

7.3.3 PIL will be able to Generate Economies of Scale due to its Large Fleet

PIL, with its large fleet, is able to obtain favourable terms for insurance premiums, stores, lubricating oils and repair services, all of which when passed on to PST, will benefit the Unitholders.

7.4 Advice of the Independent Financial Adviser

The Trustee-Manager has appointed the IFA to advise its Audit Committee in relation to, *inter alia*, the proposed provision of ship management services by PIL to PST. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and made the assumptions set out in its letter, and subject to the qualifications set out therein, the IFA is of the opinion that the proposed provision of ship management services by PIL to PST is based on normal commercial terms and will not be prejudicial to the interests of PST and its minority Unitholders.

The IFA has therefore advised the Audit Committee to recommend that Unitholders vote in favour of the proposed provision of ship management services by PIL to PST.

7.5 Requirement for Unitholders' Approval

As PIL is a controlling Unitholder of PST, it is an "interested person" for the purposes of the Ship Management Agreement under the Listing Manual and the annual Ship Management Fee, when aggregated with the Total Purchase Consideration and the total charter hire of the Proposed Charters under the PIL Conditional Charter Agreements would exceed 5.0% of the NTA of PST based on PST's Audited Financial Statements. Therefore, the proposed provision of ship management services by PIL to PST would constitute an "interested person transactions" under Chapter 9 of the Listing Manual for which Unitholders' approval under Chapter 9 of the Listing Manual is required and it is provided in the Ship Management Agreement that performance thereunder is conditional upon Unitholders' approval being obtained.

8. THE PROPOSED AUTHORISED INVESTMENT SUPPLEMENT TO THE TRUST DEED

8.1 The Proposed Authorised Investment Supplement

The Trustee-Manager proposes to supplement the Trust Deed for the purpose of widening the scope of the Authorised Investment of PST to allow PST to invest in all types of vessels.

To this end, the Trustee-Manager is seeking Unitholders' approval under Clause 25 of the Trust Deed to supplement the Trust Deed with the Authorised Investment Supplement.

8.2 Rationale for the Proposed Authorised Investment Supplement

The Trustee-Manager is of the view that the Authorised Investment Supplement will allow PST the flexibility to invest in all types of vessels instead of just container vessels. This is in line with its acquisition growth strategy of acquiring yield-accretive vessels so as to generate sustainable growth for Unitholders. Such flexibility will allow the Trustee-Manager to take advantage of any potential yield-accretive acquisitions and help the Trustee-Manager deliver optimal returns to Unitholders while it continuously seeks out value-adding opportunities to improve the value of PST's portfolio.

(Details of the Authorised Investment Supplement can be found in **Appendix E** of this Circular.)

9. THE PROPOSED AUTHORISED BUSINESS SUPPLEMENT TO THE TRUST DEED

9.1 The Proposed Authorised Business Supplement

The Trustee-Manager proposes to supplement the Trust Deed to allow PST to carry on its authorised business through its subsidiaries and to make it clear that, incidental to the acquisition of vessels by PST or its subsidiaries, PST or its subsidiaries may commission shipbuilders to construct newbuildings or to convert existing vessels.

To this end, the Trustee-Manager is seeking Unitholders' approval under Clause 25 of the Trust Deed to supplement the Trust Deed with the Authorised Business Supplement.

9.2 Rationale for the Proposed Authorised Business Supplement

The Trustee-Manager is of the view that acquisition of vessels may, if a suitable opportunity arises, be carried out through commissioning ship builders to construct new vessels or to convert existing vessels acquired and the Authorised Business Supplement will allow PST the flexibility to do so by itself or through its subsidiaries. This will enable PST to commission ship builders for the construction of vessels directly with shipyards which would reduce any intermediary costs and allow the Trustee-Manager to pass on the savings to Unitholders.

In addition, PST or its subsidiaries may, if the opportunity arises, seek to buy over ships which are under construction or conversion by taking over existing construction or conversion contracts.

The Trustee-Manager may, where it deems appropriate and where opportunities arise, endeavour to secure a charter prior to the commissioning of ship building, conversion of existing vessels, or buying over of ships under construction, as the case may be.

(Details of the Authorised Business Supplement can be found in **Appendix F** of this Circular.)

10. RECOMMENDATIONS

10.1 On the Proposed Acquisitions (Resolutions 1, 2, 3 and 4)

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular), and the rationale for the Proposed Acquisitions set out above, the Audit Committee believes that each of the Proposed Acquisitions is on normal commercial terms and will not be prejudicial to the interests of PST and Unitholders. Accordingly, the Directors (other than Messrs Teo Choo Wee and Kuan Kim Kin who are also Assistant General Manager and Director of PIL respectively) recommend that Unitholders vote in favour of the resolutions to approve the Proposed Acquisitions.

10.2 On the Proposed Charters (Resolutions 5 and 6)

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular), and the rationale for the Proposed Charters set out above, the Audit Committee believes that each of the Proposed Charters is on normal commercial terms and will not be prejudicial to the interests of PST and Unitholders. Accordingly, the Directors (other than Messrs Teo Choo Wee and Kuan Kim Kin) recommend that Unitholders vote in favour of the resolutions to approve the Proposed Charters.

10.3 On the Proposed Provision of Ship Management Services by PIL to PST (Resolution 7)

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular), and the rationale for the proposed provision of ship management services by PIL to PST set out above, the Audit Committee believes that the proposed provision of ship management services by PIL to PST is on normal commercial terms and will not be prejudicial to the interests of PST and Unitholders. Accordingly, the Directors (other than Messrs Teo Choo Wee and Kuan Kim Kin) recommend that Unitholders vote in favour of the resolution to approve the proposed provision of ship management services by PIL to PST under the Ship Management Agreement.

10.4 On the Authorised Investment Supplement (Resolution 8)

Having regard to the rationale for the Authorised Investment Supplement set out above, the Trustee-Manager is of the view that the Authorised Investment Supplement would be beneficial to, and is in the interests of PST. Accordingly, the Trustee-Manager recommends that Unitholders vote in favour of the resolution relating to the Authorised Investment Supplement.

10.5 On the Authorised Business Supplement (Resolution 9)

Having regard to the rationale for the Authorised Business Supplement set out above, the Trustee-Manager is of the view that the Authorised Business Supplement would be beneficial to, and is in the interests of PST. Accordingly, the Trustee-Manager recommends that Unitholders vote in favour of the resolution relating to the Authorised Business Supplement.

10.6. Audit Committee

Based on the opinion of the IFA (as set out in IFA Letter in Appendix D of this Circular), and the rationale for the Proposed Acquisition, the Proposed Charters and the proposed provision of ship management services by PIL to PST, being “interested person transactions” under the Listing Manual, the Audit Committee (who are Independent Directors, namely Messrs Lee Soo Hoon, Benedict Kwek Gim Song and David Chin Soon Siong) is of the view that the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST would be beneficial to, and is in the interests of PST and Unitholders. Accordingly, the Audit Committee recommends that Unitholders vote in favour of the resolutions to approve the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST.

11. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 2.00 p.m. on 22 February 2008 for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages G-1 to G-4 of this Circular.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Ltd (“**CDP**”) as at 48 hours before the EGM.

12. PROHIBITION ON VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM. As PIL is interested in the resolutions relating to the Proposed Acquisitions, the Proposed Charters and the proposed provision of ship management services by PIL to PST under the Ship Management Agreement, PIL and its associates are prohibited from voting on resolutions 1 to 7.

13. ACTION TO BE TAKEN BY UNITHOLDERS

You will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Trustee-Manager at 140 Cecil Street, #09-01 PIL Building, Singapore 069540 not later than 2.00 p.m. on 20 February 2008, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person if he so wishes.

Persons who have an interest in the approval of one or more of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions.

14. DIRECTORS’ RESPONSIBILITY STATEMENTS

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise

publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The Unaudited Pro Forma Financial Information set out in paragraph 6.2 above and in **Appendix B** of this Circular have been stated by the Directors after due and careful enquiry.

15. CONSENTS

Each of the IFA and the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, the valuation certificates of the Vessels, and all references thereto, in the form and context in which they are included in this Circular.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours⁴ at the registered office of the Trustee-Manager at 140 Cecil Street, #09-01 PIL Building, Singapore 069540 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the full valuation reports of the New Vessels;
- (ii) the valuation certificates of the New Vessels;
- (iii) the Conditional Memoranda of Agreement;
- (iv) the PIL Conditional Charter Agreements; and
- (v) the Ship Management Agreement.

The Trust Deed will also be available for inspection at the registered office of the Trustee-Manager for so long as PST continues to be in existence.

Yours faithfully
PST Management Pte. Ltd.
(as trustee-manager of Pacific Shipping Trust)

Mr Subhangshu Dutt
Director and Chief Executive Officer

⁴ Prior appointment would be appreciated.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of PST is not necessarily indicative of the future performance of PST.

This Circular 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, shifts in expected levels of charter income, changes in operating expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view of future events. The Unaudited Pro Forma Financial Information are based on certain assumptions as explained in **Appendix B** of this Circular. The key assumptions are certain expected levels of charter income and expenses over the relevant periods, which are considered by the Trustee-Manager to be appropriate and reasonable as at the date of this Circular. The Unaudited Pro Forma Financial Information of PST is not guaranteed and there is no certainty that it can be achieved. Unitholders should read the whole of this Circular for details of the Unaudited Pro Forma Financial Information and consider the assumptions used and make their own assessment of the future performance of PST.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

Acquisition Fees	:	The acquisition fee which the Trustee-Manager will be entitled under the Trust Deed to receive from PST upon completion of the proposed acquisitions of PST VALOUR and PST VICTORY
Audit Committee	:	The audit committee of PST Management Pte. Ltd.
Audited Financial Statements	:	The audited financial statements of PST for the financial year ended 31 December 2006
Authorised Business Supplement	:	The proposed amendment to the Trust Deed for the purpose of widening the scope of PST's authorised business
Authorised Investment Supplement	:	The proposed amendment to the Trust Deed for the purpose of widening the scope of PST's authorised investment
Banking day	:	The days on which banks are open both in the country of the currency stipulated for the Total Purchase Consideration and in Singapore
Board	:	Board of directors of the Trustee-Manager
Braemar Seascope	:	Braemar Seascope Valuations Limited
Charter Income	:	Income derived by PST from the chartering of the Vessels to ship operators
CSAV	:	Compania Sudamericana de Vapores
CSAV Charter Agreements	:	The charter agreements dated 17 May 2007 (and their addenda dated 9 November 2007) between CSAV and the Trustee-Manager for the charter of the New Vessels to CSAV
Conditional Memoranda of Agreement	:	The KOTA NABIL Conditional Memorandum of Agreement, KOTA NAGA Conditional Memorandum of Agreement, PST VALOUR Conditional Memorandum of Agreement and PST VICTORY Conditional Memorandum of Agreement
CDP	:	The Central Depository (Pte) Limited
Dalian Shipbuilding	:	Dalian Shipbuilding Industry Co., Ltd
Directors	:	Directors of the Trustee-Manager
DPU	:	Distributions per Unit
EGM	:	The extraordinary meeting of Unitholders to be held on 22 February 2008 at 2.00 p.m. to approve the matters set out in the Notice of EGM
Enlarged Portfolio	:	The Vessels and the New Vessels

Existing Charter Agreements	:	The bareboat charter agreements dated 25 April 2006 and entered into between the Trustee-Manager and PIL in relation to the Vessels
Existing Portfolio	:	The Vessels
Existing Units	:	The outstanding Units in issue as at the Listing Date
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened under the provisions of the Trust Deed
FRS	:	Financial Reporting Standards
FY2007	:	The financial year ending 31 December 2007
Howe Robinson	:	Howe Robinson Marine Evaluations Limited
IFA Letter	:	A letter from the IFA to the Audit Committee annexed as Appendix D of this Circular
Income Tax Act	:	Income Tax Act, Chapter 134 of Singapore
Independent Financial Adviser or IFA	:	PricewaterhouseCoopers Corporate Finance Pte Ltd
Independent Valuers	:	Braemar Seascope and Howe Robinson
IRAS	:	Inland Revenue Authority of Singapore
ISM Code	:	International Safety Management Code
KOTA NABIL	:	KOTA NABIL, a container vessel (Hull No. CS1800-1) with a capacity of 1,800 TEU
KOTA NABIL Conditional Bareboat Charter	:	The conditional bareboat charter with PIL dated 27 November 2007 in relation to KOTA NABIL
KOTA NABIL Conditional Memorandum of Agreement	:	The conditional memorandum of agreement dated 27 November 2007 between the Trustee-Manager and Tranpac for the acquisition of KOTA NABIL from Tranpac
KOTA NAGA	:	KOTA NAGA, a container vessel (Hull No. CS1800-1) with a capacity of 1,800 TEU
KOTA NAGA Conditional Bareboat Charter	:	The conditional bareboat charter with PIL dated 27 November 2007 in relation to KOTA NAGA
KOTA NAGA Conditional Memorandum of Agreement	:	The conditional memorandum of agreement dated 27 November 2007 between the Trustee-Manager and Tranpac for the acquisition of KOTA NAGA from Tranpac
Latest Practicable Date	:	15 January 2008 being the latest practicable date prior to the printing of this Circular
Listing Date	:	The date of admission of PST to the Official List of the SGX-ST

Listing Manual	:	The Listing Manual of the SGX-ST
Market Day	:	A day on which the SGX-ST is open for trading in securities
MAS	:	Monetary Authority of Singapore
n.a.	:	Not applicable
NAV	:	Net Asset Value
New Vessels	:	KOTA NABIL, KOTA NAGA, PST VALOUR and PST VICTORY
NTA	:	Net Tangible Asset
Ordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
PIL	:	Pacific International Lines (Private) Limited
PIL Conditional Charter Agreements	:	The KOTA NABIL Conditional Bareboat Charter and the KOTA NAGA Conditional Bareboat Charter
PIL Group	:	PIL and its subsidiaries
Proposed Acquisitions	:	The proposed acquisitions of the New Vessels
Proposed Charters	:	The proposed charters of KOTA NABIL and KOTA NAGA
Proposed Term Loan Facilities	:	Borrowings of approximately US\$224.0 million, in the form of floating rate term loan facilities to fully finance the Proposed Acquisitions
PST	:	Pacific Shipping Trust, a business trust constituted on 25 April 2006 under the laws of the Republic of Singapore
PST VALOUR	:	PST VALOUR, a container vessel (Hull No. C4250-24) with a capacity of 4,250 TEU
PST VALOUR Conditional Memorandum of Agreement	:	The conditional memorandum of agreement dated 14 September 2007 (and its addendum dated 9 November 2007) between the Trustee-Manager and Tranpac for the acquisition of PST VALOUR from Tranpac
PST VICTORY	:	PST VICTORY, a container vessel (Hull No. C4250-25) with a capacity of 4,250 TEU
PST VICTORY Conditional Memorandum of Agreement	:	The conditional memorandum of agreement dated 14 September 2007 (and its addendum dated 9 November 2007) between the Trustee-Manager and Tranpac for the acquisition of PST VICTORY from Tranpac
SGX-ST	:	Singapore Exchange Securities Trading Limited

Ship Management Agreement	:	The ship management agreement dated 14 September 2007 and its addendum dated 15 November 2007 entered into between the Trustee-Manager and PIL
Ship Management Fee	:	The rate of US\$90,000 per annum for the proposed provision of ship management services by PIL to PST in relation to each of PST VALOUR and PST VICTORY, pursuant to the Ship Management Agreement
SRS	:	Singapore Registry of Ships
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all outstanding Units
TEU	:	“twenty-foot equivalent unit”. This is the container shipping industry’s standard for measuring container size, ship capacity and volume. One 20-foot container would be one TEU
Time Charter Hire Rate	:	The daily time charter rate applicable pursuant to the CSAV Charter Agreements
Total Acquisition Cost	:	The sum of the Total Purchase Consideration, the Acquisition Fees and the estimated professional and other fees and expenses incurred by PST in connection with the Proposed Acquisitions
Total Purchase Consideration	:	The amount of approximately US\$222.2 million being the purchase price payable to Tranpac for the Proposed Acquisitions
Tranpac	:	Tranpac Holdings Inc., Panama
Trust Deed	:	The trust deed dated 25 April 2006 constituting PST
Trustee-Manager	:	PST Management Pte. Ltd., as trustee-manager of PST
Unaudited Pro Forma Financial Information	:	The unaudited pro forma financial information of PST as set out in Appendix B
Unit	:	A unit representing an undivided interest in PST
Unitholder	:	The Depositor whose securities account with CDP is credited with Unit(s)
Vessels	:	Kota Kado, Kota Kaya, Kota Anggerik, Kota Anggun, Kota Arif, Kota Azam, Kota Rajin and Kota Rancak, and each being a “ Vessel ”
S\$ and cents	:	The lawful currency of the Republic of Singapore cents respectively
US Dollars or US\$ and cents	:	The lawful currency of the United States of America

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The exchange rates used in this Circular are for reference only. No representation is made that any amounts could have been or could be converted into Singapore or US dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

INFORMATION ON THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

The following sections set out descriptions and selected information in respect of the Existing Portfolio and New Vessels. Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.

(A) THE NEW VESSELS

Name of Vessel	Hull No. C4250-24 TBN PST VALOUR
IMO Number	9351048
Official Number	393471
Year and Port of Registry	SGIN Singapore
Gross Tonnage	About 39906
Net Tonnage	About 24504
Registered Dimensions (Length x Breadth x Depth) (metres)	LOA: 260.00M Beam: 32.25M Depth: 19.30M
Brake horsepower	49680 bhp x 104 rpm
Speed	24.5KTS
Year of Keel-Laying	n.a.
Expected Delivery	Early October 2008
Classification	LR +100A1
Description of Vessel	4,250 TEU Class Gearless Container Carrier
Construction Dockyard	Dalian Shipbuilding Industry Co. Ltd
Capacity (TEU)	4,250
Cargo Gear	No cargo deck crane provided on board and containers shall be loaded on/off by shore facilities
Appraised Value	US\$70.0 million

Name of Vessel	Hull No. C4250-25 TBN PST VICTORY
IMO Number	9351050
Official Number	393472
Year and Port of Registry	SGIN Singapore
Gross Tonnage	About 39906
Net Tonnage	About 24504
Registered Dimensions (Length x Breadth x Depth) (metres)	LOA: 260.00M Beam: 32.25M Depth: 19.30M
Brake horsepower	49680 bhp x 104 rpm
Speed	24.5KTS
Year of Keel-Laying	n.a.
Expected Delivery	End November 2008
Classification	LR +100A1
Description of Vessel	4,250 TEU Class Gearless Container Carrier
Construction Dockyard	Dalian Shipbuilding Industry Co. Ltd
Capacity (TEU)	4,250
Cargo Gear	No cargo deck crane provided on board and containers shall be loaded on/off by shore facilities
Appraised Value	US\$70.0 million

Name of Vessel	Hull No: CS1800-1 TBN KOTA NABIL
IMO Number	9356830
Official Number	393787
Year and Port of Registry	SGIN Singapore
Gross Tonnage	About 20850
Net Tonnage	About 9114
Registered Dimensions (Length x Breadth x Depth) (metres)	LOA: 179.70M Beam: 27.60M Depth: 15.90M
Brake horsepower	16600 kw x 105 rpm
Speed	20.2KTS
Year of Keel-Laying	28 September 2007
Expected Delivery	End March 2008
Classification	LR +100A1
Description of Vessel	1,800 TEU Class Geared Container Carrier
Construction Dockyard	Dalian Shipbuilding Industry Co. Ltd
Capacity (TEU)	1,800
Cargo Gear	2 sets x 40t SWL Forward crane max working radius 26/29m, aft crane 27/30m
Appraised Value	US\$43.0 million

Name of Vessel	Hull No: CS1800-2 TBN KOTA NAGA
IMO Number	9362293
Official Number	393788
Year and Port of Registry	SGIN Singapore
Gross Tonnage	About 20850
Net Tonnage	About 9114
Registered Dimensions (Length x Breadth x Depth) (metres)	LOA: 179.70M Beam: 27.60M Depth: 15.90M
Brake horsepower	16600 kw x 105 rpm
Speed	20.2KTS
Year of Keel-Laying	n.a.
Expected Delivery	End May 2008
Classification	LR +100A1
Description of Vessel	1,800 TEU Class Geared Container Carrier
Construction Dockyard	Dalian Shipbuilding Industry Co. Ltd
Capacity (TEU)	1,800
Cargo Gear	2 sets x 40t SWL Forward crane max working radius 26/29m, aft crane 27/30m
Appraised Value	US\$43.0 million

(B) SUMMARY OF SELECTED INFORMATION ABOUT THE EXISTING PORTFOLIO

The table below sets out selected information on the Existing Portfolio.

Name of Vessel	Official Number	IMO Number	Year of Registration	Gross Tonnage	Net Tonnage	Registered Dimensions (Length x Breadth x Depth) (metres)	Brake horsepower	Year of delivery	Classification	Capacity (TEU)
Kota Kado	390897	9307396	2005	31070	15648	220.5 x 32.2 x 17.1	21735	2005	Nippon Kaiji Kyokai	3,081
Kota Kaya	390899	9307401	2005	31070	15648	220.5 x 32.2 x 17.1	21735	2005	Nippon Kaiji Kyokai	3,081
Kota Anggerik	388405	9175597	2003 ⁽¹⁾	17652	8156	170.3 x 28.0 x 14.0	11680	1999	Lloyd's Register	1,454
Kota Anggun	388406	9175602	2003 ⁽¹⁾	17652	8156	170.3 x 28.0 x 14.0	11680	1999	Lloyd's Register	1,454
Kota Arif	388407	9175614	2003 ⁽¹⁾	17652	8156	170.3 x 28.0 x 14.0	11680	1999	Lloyd's Register	1,454
Kota Azam	388408	9182033	2003 ⁽¹⁾	17652	8156	170.3 x 28.0 x 14.0	11680	1999	Lloyd's Register	1,454
Kota Rajin	390898	9296286	2005	9678	4558	135.2 x 22.6 x 10.8	6150	2005	Nippon Kaiji Kyokai	943
Kota Rancak	390900	9296298	2005	9678	4558	135.2 x 22.6 x 10.8	6150	2005	Nippon Kaiji Kyokai	943
									Total	13,864

Note:

(1) The previous registration with SRS was in 1999.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only and based on certain assumptions as set out in Section A of this Appendix and after incorporating adjustments necessary to reflect the financial positions and the financial results of PST as if it had acquired the New Vessels and entered into the CSAV Charter Agreements and PIL Conditional Charter Agreements on the Listing Date and the income from the charter of the New Vessels accrues from the Listing Date. However, the Unaudited Pro Forma Balance Sheet is not necessarily indicative of the actual financial position that would have been attained by PST had PST acquired the New Vessels on the Listing Date.

The Unaudited Pro Forma Financial Information has been prepared on the basis of the accounting policies set out in Section C.

	Unaudited Pro Forma Income and Distribution Statements		
	Existing Portfolio (26 May 2006 to 31 December 2006)	Proposed Acquisitions and Proposed Charters ⁽¹⁾ (26 May 2006 to 31 December 2006)	Enlarged Portfolio (comprising the Existing Portfolio and the Proposed Acquisitions and the Proposed Charters) (26 May 2006 to 31 December 2006)
	US\$'000	US\$'000	US\$'000
Charter Income	20,717	16,291	37,008
Depreciation	(7,719)	(5,372)	(13,091)
Ship Management Expenses	—	(1,989)	(1,989)
Trustee-Manager's Fee	(829)	(652)	(1,481)
Start-up Costs Expensed Off	—	(218)	(218)
Other Trust Expenses	(313)	(71)	(384)
Finance Costs	(5,357)	(7,966)	(13,323)
Finance Income	366	—	366
Profit before taxation	6,865	23	6,888
Income tax expense	(43)	—	(43)
Net profit for the period	6,822	23	6,845
Add: Non-tax deductible expenses	8,523	5,617	14,140
Less: Repayment of borrowings	(6,869)	(3,096)	(9,965)
Distributable amount	8,476	2,544	11,020
Less: Income to be retained for Working Capital	(104)	—	(104)
Income to be distributed	8,372	2,544	10,916
Issue price (US\$)	0.45		0.45
Number of Units (million)	337.0		337.0
Distribution per Unit (US cents)	2.48		3.24
Annualised Distribution Yield (%)	9.2%		12.0%

	Unaudited Pro Forma Balance Sheet as at 31 December 2006		
	Existing Portfolio	Proposed Acquisitions and Proposed Charters	Enlarged Portfolio
	US\$'000	US\$'000	US\$'000
Non current assets			
Vessels	263,281	218,453	481,734
Current assets			
Trade and other receivables	52	—	52
Cash and cash equivalents	8,648	458	9,106
Total Assets	271,981	218,911	490,892
Non-current liabilities			
Borrowings	108,790	215,787	324,577
Current liabilities			
Charter income received in advance	1,987	485	2,472
Other payables	249	—	249
Secured bank loans	11,501	5,160	16,661
Interest rates swaps	775	—	775
Current income tax payable	43	—	43
Total Liabilities	123,345	221,432	344,777
Net assets	148,636	(2,521)	146,115
Represented by:			
Units in issue	151,650		151,650
Unit issue cost	(4,983)		(4,983)
Accumulated profits	1,969	(2,521)	(552)
Unitholders' funds	148,636	(2,521)	146,115
Net asset value per Unit	0.441		0.434

Assumptions — Existing Portfolio and Enlarged Portfolio

The Trustee-Manager has prepared the Unaudited Pro Forma Financial Information for the financial year ended 31 December 2006 based on the unit issue price and the assumptions listed below. The Trustee-Manager considers these assumptions to be appropriate and reasonable as at the date of this Circular. However, investors should consider these assumptions as well as the Unaudited Pro Forma Financial Information and make their own assessment of the future performance of PST.

Key assumptions made in preparing the Unaudited Pro Forma Financial Information for the Existing Portfolio and the Proposed Acquisitions and the Proposed Charters are set out in Section A below.

Section A

1. Charter Income

For the Existing Portfolio, Charter Income comprising bareboat charter income derived from the chartering of the Vessels under the Existing Charter Agreements is as follows:

Vessel	Daily charter rate (US\$'000)
3,081 TEU (Panamax)	
Kota Kado	17.7
Kota Kaya	17.7
1,454 TEU (Handysize)	
Kota Anggerik	11.0
Kota Anggun	11.0
Kota Arif	11.0
Kota Azam	11.0
943 TEU (Handysize)	
Kota Rajin	7.6
Kota Rancak	7.6
Total	94.6

The Charter Income comprising both time charter and bareboat charter income derived from the chartering of the Vessels under the CSAV Charter Agreements and the PIL Conditional Charter Agreements is as follows:

Vessel	Daily charter rate (US\$'000)	Charter tenure (Years)
4,250 TEU		
PST Valour	26.00	5
PST Victory	26.00	5
1,800 TEU		
Kota Nabil	11.55	8
Kota Naga	11.55	8

2. Ship Management Expenses

In relation to the Existing Portfolio which are chartered to PIL on a bareboat charter basis under the Existing Charter Agreements, all operating costs such as repair and maintenance, crew expenses, fuel costs and other operating costs are borne by PIL, the charterer for the Existing Portfolio.

In relation to KOTA NABIL and KOTA NAGA, it is assumed that all operating costs such as repair and maintenance, crew expenses, fuel costs and other operating costs will be borne by PIL, the charterer under the PIL Conditional Charter Agreements.

As regards PST VALOUR and PST VICTORY, given that they will be chartered out on a time charter basis under the CSAV Charter Agreements and ship management services will be provided by PIL to PST under the Ship Management Agreement, it is assumed that ship management-related expenses averaging US\$4,540 per day will be incurred for the day-to-day running of the ships. These expenses include the entire services, stores, repairs, other “flow through” costs provided or incurred by the ship manager on behalf of PST, and the ship management fee payable to PIL, the ship manager, as remuneration for the services rendered.

3. Depreciation

The depreciation policy of the Vessels is based on a straight-line depreciation policy, over the useful life of the Vessels. It is assumed that the remaining useful life of the Vessels ranges from 18 years to 25 years.

However, depreciation will not affect the distributions per Unit because the amount is non-tax deductible and is added back in arriving at PST’s distributable income.

4. Management Fees

Pursuant to the Trust Deed, the Trustee-Manager is entitled to Management Fees comprising 4.0% of the Charter Income. The Trustee-Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), subject to the Trust Deed.

The Trustee-Manager has elected Management Fees in relation to the Existing Portfolio for the period ended 31 December 2006 to be paid in cash and it is assumed that the Trustee-Manager has also elected for Management Fees in relation to the Enlarged Portfolio to be paid in cash.

5. Other trust expenses

Other trust expenses comprise recurring trust operating expenses, including trustee fees, annual listing fees, registration fees, audit and tax advisory fees, company secretarial fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs, valuation fees, legal fees, and other miscellaneous costs.

Pursuant to the Trust Deed, the Trustee-Manager is entitled to a trustee fee comprising 0.02% per annum of the value of the Trust Property to be paid in cash subject to a minimum fee of US\$10,000.00 in each calendar quarter.

In assessing these amounts, the Trustee-Manager has considered factors likely to influence the level of these fees, charges and costs including the estimated rate of inflation and estimated fluctuation in US\$ exchange rate.

6. Finance costs

For the Existing Portfolio, PST has secured term loan facilities amounting to US\$127.0 million, to partly finance the acquisition of the Existing Portfolio. The Trustee-Manager has entered into interest rate swap agreements to fix the floating interest rates on the term loan facilities at a weighted average rate of 5.97% per annum inclusive of loan interest margin. The Trustee-Manager has adopted the actual interest expense incurred for the Existing Portfolio.

For the Proposed Acquisitions, the Trustee-Manager currently intends to secure financing (the “**Proposed Term Loan Facilities**”) with total borrowings of approximately US\$224.0 million, in the form of floating rate term loan facilities to fully finance the Proposed Acquisitions. The Trustee-Manager also intends to enter into interest rate swap agreements to fix the interest rates on the Proposed Term Loan Facilities. The Trustee-Manager has assumed that the interest on the US\$224.0 million floating rate term loan facilities will be subjected to a weighted average interest rate of 5.97% per annum inclusive of loan interest margins for the Proposed Acquisitions in the Unaudited Pro Forma Financial Information.

7. Repayment of Bank Borrowings

PST has repaid its bank borrowings in accordance with the terms of the term loan facilities for the Existing Portfolio. The Trustee-Manager has assumed that PST will repay its bank borrowings in accordance with the indicative terms of the Proposed Term Loan Facilities for the Proposed Acquisitions.

8. Start-up Costs

These includes professional fees, legislation fees, and initial ship specific start-up costs incurred during the acquisition and pre-charter period, of which costs such as ship valuation fees, registration fees, annual tonnage tax expenses, port charges, initial crewing costs, initial fuel and lubricant supplies etc, are capitalized.

9. Accounting Standard

The Trustee-Manager has adopted all applicable accounting standards or other financial reporting requirements that may have a material effect on the Unaudited Pro Forma Financial Information, prevailing for the period reported on.

Significant accounting policies adopted by the Trustee-Manager in the preparation of the Unaudited Pro Forma Financial Information are consistent with those set out in Section C.

10. Other Assumptions and Information

The following additional assumptions and information are relevant to the preparation of the Unaudited Pro Forma Financial Information:

- that the Existing Vessel Portfolio remains unchanged throughout the period, other than the Proposed Acquisitions and Proposed Charters;
- that the Proposed Acquisitions will be financed fully by debt;
- that no new Units will be issued during the period;
- that the exchange rate is assumed to be at US\$1.00: S\$1.45 for the Proposed Acquisitions and Proposed Charters. For the Existing Portfolio, the exchange rates have been accounted for using actual exchange rates at time of transactions;
- that all taxation legislation or other applicable legislation prevailing in 2006 have been taken into consideration;
- that all charter agreements are enforceable and will be performed in accordance with their terms; and
- that 100.0% of the Distributable Amount would be distributed for the Proposed Acquisitions and Proposed Charters, and only approximately US\$0.1 million interest income from fixed deposits had been retained for working capital as per PST’s annual report for the financial year ended 31 December 2006.

Section B

Sensitivity Analysis for the Enlarged Portfolio

The Unaudited Pro Forma Financial Information included in this Circular is based on a number of key assumptions that have been outlined earlier in this Appendix.

Unitholders should be aware that future events cannot be predicted with any certainty and deviations from the figures presented in this Circular are to be expected. To assist Unitholders in assessing the impact of these assumptions on the Unaudited Pro Forma Financial Information, a series of tables demonstrating the sensitivity of the distribution per Unit to changes in the key assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

The sensitivity analysis has been prepared using the same assumptions as those set out earlier in this appendix.

1. Time Charter Hire Rate

Changes in the Time Charter Hire Rate will impact the profit before taxation of PST and, consequently, the distribution per Unit. This variation is only applicable to PST VALOUR and PST VICTORY which will register a different daily charter hire rate after two years pursuant to the terms of the CSAV Charter Agreements. The effect of the variations in the Time Charter Hire Rate on the distribution per Unit is set out below.

Impact on distribution per Unit pursuant to changes in Time Charter Hire Rate:

	Distribution per Unit (cents) per annum
Base case (US\$26,000/day)	3.24
US\$500/day below base case (US\$25,500/day)	3.18

2. Ship Management Expenses

Changes in the ship management expenses will impact the profit before taxation of PST and, consequently, the distribution per Unit. This variation is only applicable to PST VALOUR and PST VICTORY, where the ship management related expenses incurred will be borne by PST. The effect of the variations in the ship management expenses on the distribution per Unit is set out below.

Impact on distribution per Unit pursuant to changes in Ship Management Expenses:

	Distribution per Unit (cents) per annum
2.5% below base case	3.25
Base case	3.24
2.5% above base case	3.22

3. Finance Costs for the Proposed Acquisitions

Changes in the finance costs for the Proposed Acquisitions will impact the profit before taxation of PST and, consequently, the distribution per Unit. The assumptions for finance costs have been set out earlier in the section.

The effect of variations in the finance costs for the Proposed Acquisitions on the distribution per Unit is set out below.

Impact on distribution per Unit pursuant to changes in finance costs:

	Distribution per Unit (cents) per annum
Actual interest is 25 basis points below estimate	3.34
Base case	3.24
Actual interest is 25 basis points above estimate	3.14

4. Acquisition Fees for the Proposed Acquisitions

The Trustee-Manager's election to receive the Acquisition Fees in respect of the Proposed Acquisitions in cash or Units will impact the number of Units in issue and, consequently, the distribution per Unit. The assumption that no new Units will be issued during the period has been set out earlier in the Section.

The effect of the Trustee-Manager's election to receive the Acquisition Fees in respect of the Proposed Acquisitions in cash or Units on the distribution per Unit is set out below:

Impact on distribution per Unit pursuant to the Trustee-Manager's election to receive Acquisition Fees in Cash or Units:

	Distribution per Unit (cents) per annum
Acquisition Fees in Units ⁽¹⁾	3.21
Acquisition Fees in Cash (Base case)	3.24

Note:

(1) Assuming 3,026,667 Units are issued

5. Distribution Ratio

PST's distribution policy is to distribute at least 90.0% of the distributable amount. The distribution ratio will affect the actual amount distributed, and consequently, the distribution per Unit.

The effect of the distribution ratio on the distribution per Unit is set out below:

Impact on distribution per Unit pursuant to the distribution ratio:

Distribution Ratio	Distribution per Unit (cents) per annum
100.0%	3.24
95.0%	3.08
90.0%	2.92

Section C

Significant Accounting Policies of PST

The significant accounting policies of PST, which have been consistently applied in preparing the Unaudited Pro Forma Financial Information as set out in this Circular, are as follows:

1. Basis of Preparation of Unaudited Pro Forma Financial Information

The Unaudited Pro Forma Financial Information is prepared in accordance with Singapore Financial Reporting Standards including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The Unaudited Pro Forma Financial Information, expressed in United States (US) dollars and rounded to the nearest thousand, is prepared on the historical cost basis, except that certain financial liabilities are stated at fair value.

2. Functional currency

Items included in the financial statements of PST are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to PST (the “**functional currency**”). The Unaudited Pro Forma Financial Information of PST is presented in US dollars, which is the functional currency of PST.

3. Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing on transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into US dollars at the foreign exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the profit and loss account. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into US dollars at foreign exchange rates ruling at the dates the fair value was determined.

4. Vessels

Vessels are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis so as to write off the vessels over their remaining useful lives ranging from 18 to 25 years. Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each annual reporting date.

5. Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

7. Impairment

The carrying amounts of PST’s assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets’ recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is charged to the profit and loss account.

Calculation of recoverable amount

The recoverable amount of PST's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (*i.e.* the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, or amortisation, if no impairment loss had been recognised.

8. Trade and Other Payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost.

9. Interest-Bearing Borrowings

Interest-bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the borrowings on an effective interest basis.

10. Derivative Financial Instruments

PST may use derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. PST does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy (11)).

The fair value of interest rate swaps is the estimated amount that PST would receive or pay to terminate the swap at balance sheet date, taking into account current interest rates and the current creditworthiness of swap counterparties.

11. Cash Flow Hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Unitholders' funds. The ineffective part of any gain or loss is recognised immediately in the profit and loss account.

12. Unit Issue Costs

Unit issue costs represent expenses incurred in connection with the initial public offering of PST on Singapore Exchange Securities Trading Limited. All such expenses are deducted directly from Unitholders' funds.

13. Revenue Recognition

(i) *Charter income*

Charter income receivable under operating leases is recognised in the profit and loss account on a straight-line basis over the period of the respective lease terms.

(ii) Interest income from bank deposits is accrued on a time-apportioned basis.

14. Expenses

(i) *Trustee-Manager's fees*

The trustee fee and management fees paid/payable to the Trustee-Manager in its capacities as the trustee and manager of PST respectively, are recognised on accrual basis.

(ii) *Trust expenses*

Trust expenses are recognised on accrual basis.

(iii) *Borrowing costs*

Interest expense and similar charges are recognised in the period in which they are incurred.

15. Taxation

Taxation on the return for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Both time charter income and bareboat charter income derived by PST from the charter agreements entered into would qualify for tax exemption under Section 13A of the Income Tax Act. The distributions made out of the tax-exempt income less allowable expense will also be exempt from Singapore income tax in the hands of the Unitholders.

PST would be subject to tax on its non tax-exempt income such as interest income at the prevailing corporate tax rate, after adjusting for allowable expenses. The after tax amount may be distributed to Unitholders free of Singapore withholding tax or tax deduction at source.

PST would not be subject to Singapore income tax on any gains on disposal of its vessels. Such capital gains may be distributed to Unitholders free of Singapore withholding tax or tax deduction at source.

16. Segment Reporting

A segment is a distinguishable component of a trust that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

No business segment information has been prepared as PST is only involved in the chartering of vessels. No geographical segment information has been prepared as PST's assets and operations are located in Singapore.

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VALUATION CERTIFICATES



12th September 2007

PST Management Pte. Ltd.
 (as trustee-manager of Pacific Shipping Trust)
 140 Cecil Street
 #15-00A PIL Building
 Singapore 069540
 (the "Trustee-Manager")

Attention: The Board of Directors

Dear Sirs

PACIFIC SHIPPING TRUST (THE "TRUST") –

VALUATION CERTIFICATE FOR THE VALUATION OF '4250 TEU CONTAINER VESSEL - HULL NO.24' FOR THE PURPOSE OF THE CIRCULAR TO BE ISSUED BY PACIFIC SHIPPING TRUST IN CONNECTION WITH INTER ALIA, THE PROPOSED ACQUISITION OF "4250 TEU CONTAINER VESSEL - HULL NO.24" (THE "CIRCULAR")

1. INTRODUCTION

We have been instructed by the Trustee-Manager to undertake the valuation of 'Hull No.24' whose details are listed in **Appendix I** attached herewith to be included in the Circular.

2. SALIENT TERMS OF THE VALUATION

2.1 Purpose of valuation

The valuation has been undertaken for the sole purpose of the Circular to be issued by Pacific Shipping Trust.

2.2 Material Date of Valuation

The valuation was undertaken on 3rd April 2007 and has not dropped as at 12th September 2007. The valuation given in this report is accurate as at the date of the valuation based on the assumptions contained herein and should not be taken to apply at any other date. In addition, no assurance can be given that the valuation will be sustained in the future.

2.3 No inspection

We have not made a physical inspection of the vessel, nor have we inspected the vessel's classification records and we have assumed for purposes of this valuation that the vessel is in a good and seaworthy condition.

35 COSWAY STREET
 LONDON
 NW1 5BT

BRAEMAR SEASCOPE VALUATIONS LIMITED

General Enquiries: 020 7535 2650

TEL: 020 7535 2650
 FAX: 020 7535 2601

Reg. in England with Reg. office at 35 Cosway Street, London NW1 5BT and Reg. No. 3439765



2.4 Description of Vessels

The description (including the certifications where applicable and classifications) of the subject vessel is included in **Appendix 1** as provided by Pacific International Lines (Private) Limited which we have assumed to be correct and we have not undertaken any independent verification.

2.5 Basis of Valuation

The Valuation figure provided is given based on the market value of the vessel as at 3rd April 2007 which has not dropped as at 12th September 2007 on a willing buyer and willing seller basis, with delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever. The valuation is further given on the basis that the vessel is Charter Free.

2.6 Method of Valuation

We have used recent comparable sales (i.e. vessels of similar age, deliveries, type and condition or else factor in difference in condition here) which we are aware of through our own direct contacts as well as from open market reports which we have received from others.

Having noted these we have then analysed in detail the differences between the vessel and those vessels reported as sold and calculated the differences into monetary value in each case, whether plus or minus, in order to reach our final valuation figure for this vessel.

2.7 Opinion of Value

We are of the opinion that the value of the vessel as at the date of the valuation is USD 70,000,000 and the value has not dropped as at 12th September 2007.

3 CERTIFICATION AND AUTHENTICATION

The valuation has been prepared for inclusion in the Circular and we believe that it is reasonably accurate subject to the assumptions contained in this report. However all statements made above are statements of opinion and are not to be taken as representations of fact.

4 CONSENT

In connection with the inclusion of this valuation in the Circular, we will give our written consent.

5 In respect of this valuation, we hereby confirm that we are acting as an Independent valuer.



For and on behalf of
Braemar Seascope Valuations Limited



Director



Director



APPENDIX 1

4250 TEU Class Gearless Container Carrier Specification

- **VESSEL NAME**

- **SHIPBUILDER**

Dalian shipbuilding Industry Co. Ltd

- **DELIVERY DATE**

Hull No. 24 - End Dec 2008

- **REGISTER/ FLAG**

Singapore

- **CLASSIFICATION SOCIETY**

LR + 100A1 Container Ship, Shipright (SDA, FDA, CM), IWS*, +LMC, UMS, SCM

- **PRINCIPAL DIMENSIONS**

Length overall : abt. 260.0 m

Length btw perpendicular : abt. 244.5 m

Breadth moulded : 32.25 m

Depth moulded : 19.30 m

Design draught : abt 11.00 m

Scantling draught : abt 12.60 m

Air draught (above base line) : 55.00 m

- **TONNAGE MEASUREMENTS**

Gross tonnage : abt 39906

Nett Tonnage : abt 24504

Suez

Panama

- **DEADWEIGHT AND CAPACITY**

Deadweight: At designed draught abt. 39,000 metric tons

At scantling draught abt. 50,000 metric tons

Container Capacity : 4250 Units a 20' / 8' / 8'6" (3,401 TEU + 426 FEU)

Container Capacity Maximum 20' x 8' x 8'6", ISO size

On deck/hatch (4-7 tiers) : 2,313 TEU + 178 FEU - Total equivalent to 2,666 TEU



In hold (3-7 tiers) : 1,088 TEU + 248 FEU - Total equivalent to 1,584 TEU
 Total : 3,401 TEU + 426 FEU - Total equivalent to 4,250 TEU
 Container Capacity Maximum 40ft x 8' x 8'6", ISO size
 On deck/hatch (4-7 tiers) : 12 TEU + 1,323 FEU - Total equivalent to 2,658 TEU
 In hold (3-7 tiers) : 48 TEU + 768 FEU - Total equivalent to 1,584 TEU
 Total : 60 TEU + 2,091 FEU -Total equivalent to 4,242 TEU
 Container Capacity Maximum high cube 40ft and 45ft
 On deck/hatch (2-5 tiers) : 384 FEU + 794 40ft and/or 45 ft - Total 1,178 UNITS
 In hold (top tier only) : 140 FEU + NIL 40ft and/or 45ft - Total 140 UNITS
 Total : 524 FEU + 794 40ft and/or 45 ft - Total 1,318 UNITS
 Contain Capacity Maximum loadable basis Panama Canal Transit Visibility.
 Maximum number of 20ft ISO size 3,905 TEU
 Container Capacity Maximum loadable basis IMO Visibility Guidelines
 Maximum number of 20ft ISO size 4250 TEU
 Homogenous Loading at Design and Scantling Draught

Homogenous Loading	Design	Scantling
Homoload [22 Tons]	1914	2409
Homoload [20 Tons]	2055	2478
Homoload [18 Tons]	2246	2605
Homoload [16 Tons]	1946	2586
Homoload [14 Tons]	2196	2801
Homoload [12 Tons]	2580	2814
Homoload [11 Tons]	2736	2840

THE LOADABLE NUMBER OF CONTAINERS, SHALL ALWAYS BE LIMITED TO CONTAINER SECURING SYSTEM AND THE VISIBILITY REQUIREMENTS. LASHING BRIDGE NOT PROVIDED

Regardless of the maximum designed stack weight for the hatch covers, the maximum stack weight of containers exposed to weather may be change in accordance with the calculation result of Class Rule. Trim and Stability calculations based on the following Criteria and Conditions

- . IMO A749 (18)
- . IMO SOLAS II-I, Part B-1 Subdivision and Damage Stability of Cargo Ships
- . Transverse metacentric height after free surface correction (GoM) not less than 0.50 m



- . Trim by bow not exceed 0.2 m at any condition
- . Trim by stern not exceed 1.5 m in all operations (excluding ballast condition)
- . Fuel oil shall not be used as ballast function in all operation

• **CARGO HANDLING GEAR**

No cargo deck crane shall be provided on board, and containers shall be loaded on/off by shore facilities.

• **TANK CAPACITY**

Fuel oil : abt. 6,300 m3
 Diesel oil : abt. 250 m3
 Ballast water : abt. 11,600 m3
 Fresh water : abt. 600 m3

Fuel Tank Capacity	Port	Starboard
Fuel Tank 1	836.8 m3	836.8 m3
Fuel Tank 2	995.9m3	995.9 m3
Fuel Tank 3	1069.8m3	1.59.2 m3
Fuel Tank xxxxx	184.1 m3	
Settling	162.4m3	
Service	173.3m3	
Sub - Total	3422.3m3	2891.9 m3
Grand total (P+S)	6314.2m3	

• **REEFER CONTAINER CAPACITY ETC.**

Reefer containers : 440 FEU frozen reefer based (370 Feu on deck + 70 Feu under deck)
 Type of plugs power/supply: Feu reefer plugs C.E.E. model supplying A/C 440 V 60 Hz with control monitor in ballast control room suitable for power cable transmissstion.

• **STRENGTH BASE**

In hold : 120 metric ton / TEU stack (5 tiers), 210 metric ton / FEU stack (7 tiers)
 Hatch cover No. 1 F : 60 metric ton / 20 ft stack, 90 metric ton / 40 ft stack
 Hatch cover No. 1A to 7A : 70 metric ton / 20 ft stack, 100 metric ton / 40 ft stack
 On deck at bay no. 50 & 62 : 120 metric ton / 40 ft stack

M.Deck 20/40	120MT/40ft stack
Hatch Cover 20/40	70MT/20ft stack, 100MT/40ft stack
Tank Top 20/40	120MT/tEU stack (5tiers), 210MT/TEU stack (7 tiers)



• **HATCH COVERS : Pontoon Type**

• **BOWTHRUSTER**

Bow thruster abt. 1,600 kw. (25.6 ton) thrust
Windless and Winches
Electrically operated

• **MAIN ENGINE, AUXILIARY ENGINE, SPEED, FUEL OIL CONSUMPTION AND ENDURANCE**

MAIN ENGINE PARTICULARS	
Main Engine Maker /type /Model	One, MAN B&W 8K90MC-C
Power-RPM (MCR)- (NCR)	MCR: 36,560kWx 104 RPM
Specific Fuel Oil Consumption gr/kW-hr	133.4 tons per day based on fuel oil of L.C.V of 42,700kJ/kg
Max.Speed at Design/Scantling draft [kn]	24.5 knots at designed draught

Auxiliary Engine Maker Model/type	Four (4) sets, x B&W 6L27/38 or Wartsila 6L26A
Power-RPM at MCR	1800 kW x720 rpm or 1860kW x900 rpm
Specific Fuel Oil Consumption gr/kW-hr	16.7 tons per day

MAIN ENGINE Ship Speed [knots] SS 2 B 3	Fuel Oil Consumption [MT/Day]		
	Design	Scantling	RPM
25.0 Knts	142.1	171.5	108 RPM
24.5 Knts	128.6	154.3	105 RPM
24.0 Knts	115.1	140.3	103 RPM
23.5 Knts	103.8	128.6	101 RPM
23.0 Knts	95.2	117.3	99 RPM
22.5 Knts	88.4	108.3	97 RPM
22.0 Knts	82.1	99.3	95 RPM
21.5 Knts	76.7	92.5	92 RPM
21.0 Knts	71.3	84.8	90 RPM
20.5 Knts	67.7	76.7	88 RPM
20.0 Knts	66.8	71.3	86 RPM
19.5 Knts	60.9	63.2	84 RPM
19.0 Knts			
18.5 Knts			
18.0 Knts			
Economical (minimal) speed Knots	66.5	71	85 RPM



Auxiliary Engine Fuel Oil Consumption	Vessels' Crane	0% of Reefers	25% of Reefers	50% of Reefers	75% of Reefers	100 % Reefers
Aux. Port (Tons/Day)	na	9.7	12.6	15.5	18.4	11
Aux. Sailing (Tons/Day)	na	5.3	8.2	11	13.9	16.8

• **BUNKER specification as per ISO 8217; 2005:**

HFO : RMG 380

MDO : DMB

Generator output:

Rated electrical output per generator 1,700 kw (2,125 kVA), 440V, 60Hz

Total electrical output (four sets) 6800 kw

• **ELECTRICAL POWER**

. Main shipboard electrical power 440V 60Hz

. Secondary shipboard electrical power 220V 60Hz

• **INFORMATION TECHNOLOGY**

. LAN system (wiring) Wheel House,
Engine Control Room, Ship's Office,
Captain's Office and Chief Engineer Office.

All details and information are given to the best of owners' knowledge, but are only to be taken as approximate and without guarantee and subject to reconfirmation after commissioning, delivery of the vessel.

(dated 8th May 2007)



12th September 2007

PST Management Pte. Ltd.
(as trustee-manager of Pacific Shipping Trust)
140 Cecil Street
#15-00A PIL Building
Singapore 069540
(the "Trustee-Manager")

Attention: The Board of Directors

Dear Sirs

PACIFIC SHIPPING TRUST (THE "TRUST") –

VALUATION CERTIFICATE FOR THE VALUATION OF '4250 TEU CONTAINER VESSEL - HULL NO.25' FOR THE PURPOSE OF THE CIRCULAR TO BE ISSUED BY PACIFIC SHIPPING TRUST IN CONNECTION WITH INTER ALIA, THE PROPOSED ACQUISITION OF "4250 TEU CONTAINER VESSEL - HULL NO.25" (THE "CIRCULAR")

1. INTRODUCTION

We have been instructed by the Trustee-Manager to undertake the valuation of 'Hull No.25' whose details are listed in **Appendix I** attached herewith to be included in the Circular.

2. SALIENT TERMS OF THE VALUATION

2.1 Purpose of valuation

The valuation has been undertaken for the sole purpose of the Circular to be issued by Pacific Shipping Trust.

2.2 Material Date of Valuation

The valuation was undertaken on 3rd April 2007 and has not dropped as at 12th September 2007. The valuation given in this report is accurate as at the date of the valuation based on the assumptions contained herein and should not be taken to apply at any other date. In addition, no assurance can be given that the valuation will be sustained in the future.

2.3 No inspection

We have not made a physical inspection of the vessel, nor have we inspected the vessel's classification records and we have assumed for purposes of this valuation that the vessel is in a good and seaworthy condition.

35 COSWAY STREET
LONDON
NW1 5BT

BRAEMAR SEASCOPE VALUATIONS LIMITED

General Enquiries: 020 7535 2650

TEL: 020 7535 2650
FAX: 020 7535 2601

Reg. in England with Reg. office at 35 Cosway Street, London NW1 5BT and Reg. No. 3439765



2.4 Description of Vessels

The description (including the certifications where applicable and classifications) of the subject vessel is included in **Appendix 1** as provided by Pacific International Lines (Private) Limited which we have assumed to be correct and we have not undertaken any independent verification.

2.5 Basis of Valuation

The Valuation figure provided is given based on the market value of the vessel as at 3rd April 2007 which has not dropped as at 12th September 2007 on a willing buyer and willing seller basis, with delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever. The valuation is further given on the basis that the vessel is Charter Free.

2.6 Method of Valuation

We have used recent comparable sales (i.e. vessels of similar age, deliveries, type and condition or else factor in difference in condition here) which we are aware of through our own direct contacts as well as from open market reports which we have received from others.

Having noted these we have then analysed in detail the differences between the vessel and those vessels reported as sold and calculated the differences into monetary value in each case, whether plus or minus, in order to reach our final valuation figure for this vessel.

2.7 Opinion of Value

We are of the opinion that the value of the vessel as at the date of the valuation is USD 70,000,000 and the value has not dropped as at 12th September 2007.

3 CERTIFICATION AND AUTHENTICATION

The valuation has been prepared for inclusion in the Circular and we believe that it is reasonably accurate subject to the assumptions contained in this report. However all statements made above are statements of opinion and are not to be taken as representations of fact.

4 CONSENT

In connection with the inclusion of this valuation in the Circular, we will give our written consent.

5 In respect of this valuation, we hereby confirm that we are acting as an Independent valuer.



For and on behalf of
Braemar Seascope Valuations Limited

Director 

Director 



APPENDIX 1

4250 TEU Class Gearless Container Carrier Specification

- **VESSEL NAME**

- **SHIPBUILDER**

Dalian shipbuilding Industry Co. Ltd

- **DELIVERY DATE**

Hull No. 25 - End Nov 2008

- **REGISTER/ FLAG**

Singapore

- **CLASSIFICATION SOCIETY**

LR + 100A1 Container Ship, Shipright (SDA, FDA, CM), IWS*, +LMC, UMS, SCM

- **PRINCIPAL DIMENSIONS**

Length overall : abt. 260.0 m
Length btw perpendicular : abt. 244.5 m
Breadth moulded : 32.25 m
Depth moulded : 19.30 m
Design draught : abt 11.00 m
Scantling draught : abt 12.60 m
Air draught (above base line) : 55.00 m

- **TONNAGE MEASUREMENTS**

Gross tonnage : abt 39906

Nett Tonnage : abt 24504

Suez

Panama

- **DEADWEIGHT AND CAPACITY**

Deadweight: At designed draught abt. 39,000 metric tons

At scantling draught abt. 50,000 metric tons

Container Capacity : 4250 Units a 20' / 8" / 8'6" (3,401 TEU + 426 FEU)

Container Capacity Maximum 20' x 8' x 8'6", ISO size

On deck/hatch (4-7 tiers) : 2,313 TEU + 178 FEU - Total equivalent to 2,666 TEU



In hold (3-7 tiers) : 1,088 TEU + 248 FEU - Total equivalent to 1,584 TEU
 Total : 3,401 TEU + 426 FEU - Total equivalent to 4,250 TEU
 Container Capacity Maximum 40ft x 8' x 8'6", ISO size
 On deck/hatch (4-7 tiers) : 12 TEU + 1,323 FEU - Total equivalent to 2,658 TEU
 In hold (3-7 tiers) : 48 TEU + 768 FEU - Total equivalent to 1,584 TEU
 Total : 60 TEU + 2,091 FEU -Total equivalent to 4,242 TEU
 Container Capacity Maximum high cube 40ft and 45ft
 On deck/hatch (2-5 tiers) : 384 FEU + 794 40ft and/or 45 ft - Total 1,178 UNITS
 In hold (top tier only) : 140 FEU + NIL 40ft and/or 45ft - Total 140 UNITS
 Total : 524 FEU + 794 40ft and/or 45 ft - Total 1,318 UNITS
 Container Capacity Maximum loadable basis Panama Canal Transit Visibility.
 Maximum number of 20ft ISO size 3,905 TEU
 Container Capacity Maximum loadable basis IMO Visibility Guidelines
 Maximum number of 20ft ISO size 4250 TEU
 Homogenous Loading at Design and Scantling Draught

Homogenous Loading	Design	Scantling
Homoload [22 Tons]	1914	2409
Homoload [20 Tons]	2055	2478
Homoload [18 Tons]	2246	2605
Homoload [16 Tons]	1946	2586
Homoload [14 Tons]	2196	2801
Homoload [12 Tons]	2580	2814
Homoload [11 Tons]	2736	2840

THE LOADABLE NUMBER OF CONTAINERS, SHALL ALWAYS BE LIMITED TO CONTAINER SECURING SYSTEM AND THE VISIBILITY REQUIREMENTS. LASHING BRIDGE NOT PROVIDED

- Regardless of the maximum designed stack weight for the hatch covers, the maximum stack weight of containers exposed to weather may be change in accordance with the calculation result of Class Rule. Trim and Stability calculations based on the following Criteria and Conditions
- . IMO A749 (18)
 - . IMO SOLAS II-I, Part B-1 Subdivision and Damage Stability of Cargo Ships
 - . Transverse metacentric height after free surface correction (GoM) not less than 0.50 m



- . Trim by bow not exceed 0.2 m at any condition
- . Trim by stern not exceed 1.5 m in all operations (excluding ballast condition)
- . Fuel oil shall not be used as ballast function in all operation

• **CARGO HANDLING GEAR**

No cargo deck crane shall be provided on board, and containers shall be loaded on/off by shore facilities.

• **TANK CAPACITY**

Fuel oil : abt. 6,300 m3
 Diesel oil : abt. 250 m3
 Ballast water : abt. 11,600 m3
 Fresh water : abt. 600 m3

Fuel Tank Capacity	Port	Starboard
Fuel Tank 1	836.8 m3	836.8 m3
Fuel Tank 2	995.9m3	995.9 m3
Fuel Tank 3	1069.8m3	1.59,2 m3
Fuel Tank xxxxx	184.1 m3	
Settling	162.4m3	
Service	173.3m3	
Sub - Total	3422.3m3	2891.9 m3
Grand total (P+S)	6314.2m3	

• **REEFER CONTAINER CAPACITY ETC.**

Reefer containers : 440 FEU frozen reefer based (370 Feu on deck + 70 Feu under deck)
 Type of plugs power/supply: Feu reefer plugs C.E.E. model supplying A/C 440 V 60 Hz with control monitor in ballast control room suitable for power cable transmisstion.

• **STRENGTH BASE**

In hold : 120 metric ton / TEU stack (5 tiers), 210 metric ton / FEU stack (7 tiers)
 Hatch cover No. 1 F : 60 metric ton / 20 ft stack, 90 metric ton / 40 ft stack
 Hatch cover No. 1A to 7A : 70 metric ton / 20 ft stack, 100 metric ton / 40 ft stack
 On deck at bay no. 50 & 62 : 120 metric ton / 40 ft stack

M.Deck 20/40	120MT/40ft stack
Hatch Cover 20/40	70MT/20ft stack, 100MT/40ft stack
Tank Top 20/40	120MT/tEU stack (5tiers), 210MT/TEU stack (7 tiers)



• **HATCH COVERS : Pontoon Type**

• **BOWTHRUSTER**

Bow thruster abt. 1,600 kw. (25.6 ton) thrust

Windless and Winches

Electrically operated

• **MAIN ENGINE, AUXILIARY ENGINE, SPEED, FUEL OIL CONSUMPTION AND ENDURANCE**

MAIN ENGINE PARTICULARS	
Main Engine Maker /type /Model	One, MAN B&W 8K90MC-C
Power-RPM (MCR)- (NCR)	MCR: 36,560kWx 104 RPM
Specific Fuel Oil Consumption gr/kW-hr	133.4 tons per day based on fuel oil of L.C.V of 42,700kJ/kg
Max.Speed at Design/Scantling draft [kn]	24.5 knots at designed draught

Auxiliary Engine Maker Model/type	Four (4) sets, x B&W 6L27/38 or Wartsila 6L26A
Power-RPM at MCR	1800 kW x720 rpm or 1860kW x900 rpm
Specific Fuel Oil Consumption gr/kW-hr	16.7 tons per day

MAIN ENGINE Ship Speed [knots] SS 2 B 3	Fuel Oil Consumption [MT/Day]		
	Design	Scantling	RPM
25.0 Knts	142.1	171.5	108 RPM
24.5 Knts	128.6	154.3	105 RPM
24.0 Knts	115.1	140.3	103 RPM
23.5 Knts	103.8	128.6	101 RPM
23.0 Knts	95.2	117.3	99 RPM
22.5 Knts	88.4	108.3	97 RPM
22.0 Knts	82.1	99.3	95 RPM
21.5 Knts	76.7	92.5	92 RPM
21.0 Knts	71.3	84.8	90 RPM
20.5 Knts	67.7	76.7	88 RPM
20.0 Knts	66.8	71.3	86 RPM
19.5 Knts	60.9	63.2	84 RPM
19.0 Knts			
18.5 Knts			
18.0 Knts			
Economical (minimal) speed Knots	66.5	71	85 RPM

HOWE ROBINSON MARINE EVALUATIONS LIMITED

77 Mansell Street
London E1 8AF

Telephone 020 • 7488 3444
Facsimile 020 • 7457 8499

23rd October 2007

PST Management Pte. Ltd.
(as trustee-manager of Pacific Shipping Trust) (the "Trustee-Manager")
140 Cecil Street
#09-01 PIL Building
Singapore 069540

Attention: The Board of Directors

Dear Sirs

VALUATION CERTIFICATE

We have been instructed by the Trustee-Manager to undertake the valuation of the vessel currently referred to as 'Dalian Cs 1800-1' in connection with the proposed acquisition of the vessel by the Trustee-Manager. We are aware that this valuation will be included in the circular.

We note that the vessel is being built and that in this connection, Pacific International Private Limited has entered into a ship building contract with Dalian New Shipbuilding Heavy Industry Co., Ltd. for the construction of the vessel. We further note that, under the terms of the shipbuilding contract, the main specifications of the vessel will be:

DSIC H.No CS1800-1
Built: Dalian New Shipbuilding Heavy Industry Co., Ltd
Expected delivery: March 2008
DWT 28,800 on Scantling Draught 10.70m
GRT: 20,850 ABT NRT: 9,114 ABT
L.O.A. 179.70m / Beam 27.60m / L.B.P. 167.00m / Depth 15.90m
G.T. 21,000 /
MAN-B+W 7S60MC-C 21,508 BHP 20.2
TEU Capacity: 1,800, Homog: 1,325 @ 14T,
Geared 2 sets x 40t SWL / CELLULAR

We have been instructed to base our valuation on the assumption that the ship will be flying Singapore flag and classed + 100 A1 by Lloyds' register.

We have been asked to give our opinion on the market value of the vessel as of 23rd October 2007 and on the assumption that the vessel will be delivered to the Trustee-Manager in late March 2008.

The valuation is based on the above specifications and on a willing buyer and willing seller basis.

After careful consideration, based on the foregoing, we are of the opinion that the market value of the vessel as at 23 October 2007 is:

USD 43,000,000 (Forty-Three Million United States Dollars)

P B Kerr-Dineen, D M Lewis, G R Hulse, G C B Hindley
D H Buxton, N J Bailey, P E Dowell, D I A Hall

Reg No 5624420 England
Reg Office 77 Mansell Street, London E1 8AF

HOWE ROBINSON MARINE EVALUATIONS LIMITED

77 Mansell Street
London E1 8AF

Telephone 020 • 7488 3444
Facsimile 020 • 7457 8499

This valuation relates solely to the prevailing market on 23rd October 2007. It should not be taken to apply to any other date, and, specifically, does not purport to value the ship at its proposed date of delivery. No assurance can be given that this value can be sustained or would be realisable in an actual transaction. We emphasise that this is a statement of our opinion only. The valuation is on the basis that on delivery, the vessel will be charter free, in sea going condition, in class and free from all class conditions. It is further assumed that the vessel will be free from all liens and encumbrances and that the terms of the shipbuilding contract will have been fulfilled by all relevant parties, and that no further payments to the yard would be due from the new owner. The above vessel details have been provided to us from the shipbuilding contract but we have not sighted this document so they have not been verified by us. They are reproduced without guarantee as to their accuracy or completeness. Any discrepancy between the figures used in this valuation and the vessel's actual specifications once built could materially affect the valuation given.

Howe Robinson Marine Evaluations Limited certifies that, as a wholly owned subsidiary of Howe Robinson Group Limited, it is an independent company and that this valuation has been prepared on an arm's length basis and reflects its unbiased professional judgement of the value of the ship, as set out in the terms of the certificate.

Neither Howe Robinson Marine Evaluations Limited nor any other company within the Howe Robinson Group of companies has any involvement or financial interest in the offering, other than in its role in issuing the valuation certificates which will be incorporated in the circular. Howe Robinson Marine Evaluations Limited is due an agreed fee for this work.

In its ordinary course of business, as shipbrokers, Howe Robinson and Co. Ltd. (which is also a wholly owned subsidiary of Howe Robinson Group Limited) has acted as broker in transactions involving, separately, Pacific International Lines (PTE) Ltd and Dalian New Shipbuilding Heavy Industry Co. Ltd.

We hereby consent to the inclusion of this valuation certificate in the Circular.

Yours faithfully

HOWE ROBINSON MARINE EVALUATIONS



P B Kerr-Dineen, D M Lewis, G R Hulsa, G C B Hindley
D H Buxton, N J Bailey, P E Dowell, D I A Hall

Reg No 5624420 England
Reg Office 77 Mansell Street, London E1 8AF

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23rd October 2007

PST Management Pte. Ltd.
(as trustee-manager of Pacific Shipping Trust) (the "Trustee-Manager")
140 Cecil Street
#09-01 PIL Building
Singapore 069540

Attention: The Board of Directors

Dear Sirs

VALUATION CERTIFICATE

We have been instructed by the Trustee-Manager to undertake the valuation of the vessel currently referred to as 'Dalian Cs 1800-2' in connection with the proposed acquisition of the vessel by the Trustee-Manager. We are aware that this valuation will be included in the circular.

We note that the vessel is being built and that in this connection, Pacific International Private Limited has entered into a ship building contract with Dalian New Shipbuilding Heavy Industry Co., Ltd. for the construction of the vessel. We further note that, under the terms of the shipbuilding contract, the main specifications of the vessel will be:

DSIC H.No CS1800-2
Built: Dalian New Shipbuilding Heavy Industry Co., Ltd
Expected delivery: May 2008
DWT 28,800 on Scantling Draught 10.70m
GRT: 20,850 ABT NRT: 9,114 ABT
L.O.A. 179.70m / Beam 27.60m / L.B.P. 167.00m / Depth 15.90m
G.T. 21,000 /
MAN-B+W 7S60MC-C 21,508 BHP 20.2
TEU Capacity: 1,800, Homog: 1,325 @ 14T,
Geared 2 sets x 40t SWL / CELLULAR

We have been instructed to base our valuation on the assumption that the ship will be flying Singapore flag and classed + 100 A1 by Lloyds' register.

We have been asked to give our opinion on the market value of the vessel as of 23rd October 2007 and on the assumption that the vessel will be delivered to the Trustee-Manager in late May 2008.

The valuation is based on the above specifications and on a willing buyer and willing seller basis.

After careful consideration, based on the foregoing, we are of the opinion that the market value of the vessel as at 23 October 2007 is:

USD 43,000,000 (Forty-Three Million United States Dollars)

P B Kerr-Dineen, D M Lewis, G R Hulse, G C B Hindley
D H Buxton, N J Bailey, P E Dowell, D I A Hall

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In its ordinary course of business, as shipbrokers, Howe Robinson and Co. Ltd. (which is also a wholly owned subsidiary of Howe Robinson Group Limited) has acted as broker in transactions involving, separately, Pacific International Lines (PTE) Ltd and Dalian New Shipbuilding Heavy Industry Co. Ltd.

We hereby consent to the inclusion of this valuation certificate in the Circular.

Yours faithfully

HOWE ROBINSON MARINE EVALUATIONS



P B Kerr-Dineen, D M Lewis, G R Hulse, G C B Hindley
D H Buxton, N J Bailey, P E Dowell, D I A Hall

Reg No 5624420 England
Reg Office 77 Mansell Street, London E1 8AF

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INDEPENDENT FINANCIAL ADVISER'S LETTER



28 January 2008

The Audit Committee
PST Management Pte. Ltd.
(as Trustee-Manager of Pacific Shipping Trust)
140 Cecil Street
#09-01 PIL Building
Singapore 069540

PricewaterhouseCoopers
Corporate Finance Pte Ltd
8 Cross Street #17-00
PWC Building
Singapore 048424
Telephone (65) 6236 3388
Facsimile (65) 6236 4005
www.pwc.com/sg/cfr

GST No.: M2-0022463-9
Co. Reg. No.: 197501605H

Dear Sirs

INTERESTED PERSON TRANSACTIONS IN CONNECTION WITH THE FOLLOWING:

- I. THE PROPOSED ACQUISITION OF PST VALOUR, A 4,250 TEU CONTAINER VESSEL;
- II. THE PROPOSED ACQUISITION OF PST VICTORY, A 4,250 TEU CONTAINER VESSEL;
- III. THE PROPOSED ACQUISITION OF KOTA NABIL, A 1,800 TEU CONTAINER VESSEL;
- IV. THE PROPOSED ACQUISITION OF KOTA NAGA, A 1,800 TEU CONTAINER VESSEL;
- V. THE PROPOSED CHARTER OF KOTA NABIL;
- VI. THE PROPOSED CHARTER OF KOTA NAGA; AND
- VII. THE PROPOSED PROVISION OF SHIP MANAGEMENT SERVICES BY PACIFIC INTERNATIONAL LINES (PRIVATE) LIMITED TO PACIFIC SHIPPING TRUST.

(COLLECTIVELY REFERRED TO AS THE "INTERESTED PERSON TRANSACTIONS")

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 28 January 2008 to the Unitholders of Pacific Shipping Trust (the "Circular")

1. INTRODUCTION

On 14 September 2007 and 27 November 2007, PST Management Pte. Ltd. ("**Trustee-Manager**"), trustee-manager of Pacific Shipping Trust ("**PST**"), entered into the respective Conditional Memoranda of Agreement with Tranpac Holdings Inc., Panama ("**Transpac**"), a wholly-owned subsidiary of Pacific International Lines (Private) Limited ("**PIL**"), the sponsor of PST, to acquire two new 4,250 TEU container vessels namely PST VALOUR and PST VICTORY ("**New 4,250 TEU Vessel(s)**") and two new 1,800 TEU container vessels namely KOTA NABIL and KOTA NAGA ("**New 1,800 TEU Vessel(s)**") (the New 4,250 TEU Vessels and New 1,800 TEU Vessels are collectively referred to as the "**New Vessels**") pursuant to the right of first refusal granted by PIL (as the sponsor of PST's initial public offering) in an agreement dated 25 April 2006 and entered into between the Trustee-Manager and PIL.

The Trustee-Manager has entered into two time charter agreements on 17 May 2007 and their respective addenda on 9 November 2007 with a Chilean shipping company, Compania Sudamericana de Vapores (“**CSAV**”) pursuant to which PST VALOUR and PST VICTORY are chartered to CSAV (“**CSAV Charter Agreements**”) for a 5-year charter period and are expected to commence in October and November 2008 respectively.

The Trustee-Manager has also entered into the KOTA NABIL Conditional Bareboat Charter and the KOTA NAGA Conditional Bareboat Charter with PIL to charter KOTA NABIL and KOTA NAGA to PIL (“**PIL Conditional Charter Agreements**”) for an eight year period. The charter hire of each of KOTA NABIL and KOTA NAGA will be fixed at US\$11,550 per day (“**Bareboat Charter Rate**”) for the 8-year period (“**Bareboat Charter Period**”).

The Trustee-Manager had also on 14 September 2007 entered into the Ship Management Agreement with PIL in relation to the New 4,250 TEU Vessels for the provision of ship management services at the rate of US\$90,000 per annum for each of the New 4,250 TEU Vessel (“**Ship Management Fees**”). Such ship management services will commence from the date of delivery of the first vessel, PST VALOUR (“**Proposed Provision of Ship Management Services**”).

Under Chapter 9 of the Listing Manual, where PST proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of PST’s and its associate’s latest audited net tangible assets (“**NTA**”), Unitholders’ approval is required in respect of the transaction. Based on PST’s audited financial statements, the NTA of PST was US\$148.6 million as at 31 December 2006 (“**Audited Financial Statements**”).

As at the Latest Practicable Date, PIL holds interest (whether directly or indirectly), in 116,613,000 Units (which is equivalent to approximately 34.6% of the Existing Units), and is therefore regarded as a “controlling Unitholder” of PST under both the Listing Manual of the SGX-ST (“**Listing Manual**”). The Trustee-Manager does not hold any Units.

For the purposes of Chapter 9 of the Listing Manual, PIL (being a controlling Unitholder) is an “interested person” of PST for the purposes of the Proposed Charters while Tranpac, being a wholly-owned subsidiary of PIL, is an “interested person” of PST for the purposes of the Proposed Acquisitions.

Each of the Proposed Acquisitions and the Proposed Charters will constitute “interested person transactions” under Chapter 9 of the Listing Manual. As the charter hire payable to PIL for the charter period under the PIL Conditional Charter Agreements and the purchase price payable to Tranpac for the Proposed Acquisitions (“**Total Purchase Consideration**”) will exceed 5.0% of the NTA of PST based on PST’s Audited Financial Statements, the Proposed Acquisitions and the Proposed Charters will require the approval of Unitholders.

Further thereto, the annual Ship Management Fees when aggregated with the Total Purchase Consideration and the total charter hire of the Proposed Charters under the PIL Conditional Charter Agreements will exceed 5.0% of the NTA of PST based on its Audited Financial Statements.

Therefore, the Proposed Provision of Ship Management Services under the Ship Management Agreement will constitute an “interested person transaction” under Chapter 9 of the Listing Manual, of which the approval of Unitholders is required.

In view of the above and in compliance with the requirements of the Listing Manual, the Trustee-Manager is therefore seeking Unitholders' approval for the Proposed Acquisitions, Proposed Charters and the Proposed Provision of Ship Management Services.

PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwCCF**") has been appointed as the independent financial adviser ("**IFA**") to advise the Audit Committee as to whether the Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of the PST and its minority Unitholders.

This letter of opinion ("**IFA Letter**") has been prepared to form part of the Circular to be issued by the Trustee-Manager to Unitholders dated 28 January 2008.

2. TERMS OF REFERENCE

PwCCF has been appointed as the IFA to advise the Audit Committee on whether the Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of PST and its minority Unitholders. We do not, by this letter, make any representation or warranty in relation to the merits of the Interested Person Transactions.

In line with the above stated objective, we have limited our evaluation to the financial terms of the Interested Person Transactions and have not taken into account the commercial risks or commercial merits of the Interested Person Transactions.

Our terms of reference do not require us to evaluate or comment on the rationale for, strategic or long-term commercial merits of the Interested Person Transactions or the future performance or prospects of PST. However, we may draw upon the views of the Directors and management of the Trustee-Manager in arriving at our view.

In the course of our evaluation and for the purpose of our opinion in relation to the Interested Person Transactions, we have held discussions with certain Directors and management of the Trustee-Manager and have examined information provided by the Directors and management of the Trustee-Manager and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made enquiries and used our judgement as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the reliability of the information.

We have not made an independent evaluation of the New Vessels. We have, however, been furnished with the valuation reports for the New Vessels. With respect to the valuation reports, we are not experts and do not hold ourselves to be experts in the evaluation of the New Vessels and have relied upon the valuation reports prepared by Braemar Seascope Valuations Limited ("**Braemar Seascope**") dated 12 September 2007 ("**BSVL Valuation Report**") and Howe Robinson Marine Evaluations Limited ("**Howe Robinson**") dated 23 October 2007 ("**HR Valuation Report**"). The respective valuation certificates prepared by the Braemar and Howe Robinson are set out in Appendix C of the Circular.

With regards to the Proposed Charters, we have not made an independent evaluation of the Bareboat Charter Rate set out under the PIL Conditional Charter Agreements. We have, however, been furnished with an opinion letter from Mentz, Decker GmbH & Co. KG ⁽¹⁾ (“**Independent Broker**”) for the Proposed Charters by the management of PST. With respect to the opinion letter, we are not experts and do not hold ourselves to be experts in the evaluation of the Bareboat Charter Rate and have relied upon the opinion letter prepared by the Independent Ship Broker (“**Independent Opinion Letter**”).

We have relied upon the assurances of the Directors that the Circular has been approved by the Directors who have made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in the Circular are fair and accurate in all material respects as at the date of the Circular and that there are no material facts the omission of which would make any statement in the Circular misleading in any material respect. Accordingly, the Directors collectively and individually accept responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement”. In addition, the management of the Trustee-Manager has similarly provided us with a responsibility statement in a letter dated 22 January 2008, which we have relied upon.

Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

We have also not conducted a comprehensive review of the business, operations or financial condition of PST or the Trustee-Manager and accordingly make no representation or warranty, express or implied, in this regard.

Furthermore, our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of PST. We have, therefore, not expressed any opinion herein as to the future financial or other performance of PST.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained therein. Unitholders should take note of any announcements relevant to their consideration of the Interested Person Transactions which may be released by the Trustee-Manager after the Latest Practicable Date. In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation or individual circumstances of any minority Unitholders.

Our opinion is for the use and benefit of the Audit Committee in their deliberation of whether the financial terms of the Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of PST and its minority Unitholders, and the statements and/or recommendations made by the Audit Committee shall remain the responsibility of the Audit Committee.

Our opinion should not be relied on as a recommendation to any Unitholder of PST as to how the Unitholders should vote on the resolutions in relation to the Interested Person Transactions or any matters related thereto. Each Unitholder may have different investment objectives and considerations and should seek their own professional advice.

(1) Established since 1896, Mentz, Decker GmbH & Co. KG is an international shipbroker based in Hamburg, Germany. They are members of the Hamburg Shipbrokers Association, Broker Members of BIMCO, and Associated Overseas Members of the Baltic Exchange.

Our opinion in relation to the Interested Person Transactions should be considered in the context of the entirety of this letter of opinion and the Circular.

3. DETAILS OF THE PROPOSED ACQUISITIONS

The details of the Proposed Acquisitions and certain terms of the Conditional Memoranda of Agreement are set out in Section 2 and Appendix A of the Circular. Certain key sections and/or information in relation thereto have been extracted and reproduced below.

3.1 Details of the New Vessels

The information on the New Vessels is set out in Appendix A of the Circular. We have set out below the relevant extracts of the appendix as follows:

New Vessels	Descriptions	Expected Delivery	Capacity (TEUs)	Purchase Price (US\$ 'million)	Appraised Value (US\$ 'million)
PST VALOUR	4,250 TEU Class Gearless Container Carrier	Early October 2008	4,250	Approximately 68.1	70.0
PST VICTORY	4,250 TEU Class Gearless Container Carrier	End November 2008	4,250	Approximately 68.1	70.0
KOTA NABIL	1,800 TEU Class Geared Container Carrier	End March 2008	1,800	43.0	43.0
KOTA NAGA	1,800 TEU Class Geared Container Carrier	End May 2008	1,800	43.0	43.0
Total				Approximately 222.2	226.0

3.2 Certain terms of the Conditional Memoranda of Agreement

The principal terms of the Conditional Memoranda of Agreement which have been extracted from Section 2.2 of the Circular and reproduced herein for your convenience includes amongst others, the following:

- PST VALOUR and PST VICTORY are expected to be completed and delivered to PST in early October 2008 and towards the end of November 2008 respectively.
- KOTA NABIL and KOTA NAGA are expected to be completed and delivered to PST towards the end of March 2008 and May 2008 respectively.
- No penalties will be payable by Tranpac for delays on delivery of each of PST VALOUR and PST VICTORY for up to approximately 10 months.
- No penalties will be payable by Tranpac for delays on delivery of each of KOTA NABIL and KOTA NAGA for up to approximately 15 months.

- The purchase price for each of the New Vessels shall be paid in full, free of bank charges, to Tranpac on delivery of each of the New Vessels, but not later than three Banking days after each of the New Vessels is in every respect physically ready for delivery in accordance with the terms and conditions of the Conditional Memoranda of Agreement and the notice of readiness for delivery has been given in accordance with the Conditional Memoranda of Agreement.
- In relation to PST VALOUR and PST VICTORY, a deposit of 5.0% of the purchase consideration (“**Deposit**”) will be payable in cash or in the form of a bank guarantee issued to Tranpac within three Banking days of the approval of Unitholders at the EGM with the balance 95.0% payable to Tranpac upon delivery of PST VALOUR and PST VICTORY. Where the deposit is paid in the form of cash, the remaining 95.0% will be payable within three Banking days of delivery. Where the deposit is paid in the form of a bank guarantee, upon delivery of the New Vessels, 100.0% of the purchase price will be payable to Tranpac and the bank guarantee will be discharged fully.
- No deposit is payable for KOTA NABIL and KOTA NAGA.
- Each of the New Vessels with everything belonging to her shall be at Tranpac’s risk and expense until she is delivered to PST, but subject to the terms and conditions of the Conditional Memoranda of Agreement, she shall be delivered and taken over on an “as is” basis concurrently with the delivery from the shipyard.

Notwithstanding the foregoing, each of the New Vessels shall be delivered with her class maintained without condition or recommendation, free of average damage affecting the relevant New Vessel’s class, and with her classification certificates and national certificates, as well as all other certificates that the relevant New Vessel has at the time of inspection, valid and unextended without condition or recommendation by class or the relevant authorities at the time of delivery.

- Tranpac warrants that each of the New Vessels, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever. Tranpac undertakes to indemnify PST against all consequences of claims made against any of the New Vessels which have been incurred prior to the time of delivery.

For further details on the certain terms of the Conditional Memoranda of Agreement, please refer to Section 2.2 of the Circular.

3.3 Estimated Acquisition Cost

The details of the estimated acquisition cost are set out in Section 2.4 of the Circular. We have set out below the relevant extracts of the section as follows:

The current estimated total acquisition cost is approximately US\$224.0 million, (“**Total Acquisition Cost**”) comprising:

- (i) the Total Purchase Consideration of approximately US\$222.2 million;
- (ii) the Acquisition Fees of approximately US\$1.36 million being 1.0% of the acquisition price for PST VALOUR and PST VICTORY. No acquisition fee will be charged by the Trustee-Manager in relation to the acquisitions of KOTA NABIL and KOTA NAGA; and

- (iii) the estimated professional and other fees and expenses incurred by PST in connection with the Proposed Acquisitions of approximately US\$0.48 million.

The Trustee-Manager may elect to receive the Acquisition Fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), subject to the Trust Deed.

3.4 Valuation of the New Vessels

The details of the New Vessels are set out in Section 2.5 of the Circular. We have set out below the relevant extracts of the section as follows:

New Vessels	Purchase Price (US\$ 'million)	Appraised Value (US\$ 'million)	Date of valuation	Independent Valuers
PST VALOUR	Approximately 68.1	70.0	3 April 2007 ⁽¹⁾	Braemar Seascope
PST VICTORY	Approximately 68.1	70.0	3 April 2007 ⁽¹⁾	Braemar Seascope
KOTA NABIL	43.0	43.0	23 October 2007	Howe Robinson
KOTA NAGA	43.0	43.0	23 October 2007	Howe Robinson
Total	Approximately 222.2	226.0		

Note:

- 1 Braemar Seascope has confirmed that as at 12 September 2007, the appraised values of PST VALOUR and PST VICTORY are maintained.

Please refer to Appendix C of the Circular for the valuation certificates issued by the Independent Valuers in relation to each of the New Vessels.

3.5 Method of financing

The details on the method of financing the Proposed Acquisitions are set out in Section 6.3 of the Circular. We have set out below the relevant extracts of the section as follows:

The Trustee-Manager currently intends to fund the Proposed Acquisitions wholly with debt finance although the final financing structure will be subject to further evaluation by the Trustee-Manager. In determining the appropriate financing for PST in respect of the Proposed Acquisitions, the Trustee-Manager will take into account, amongst other, prevailing market conditions and the relative costs of financing.

4. THE PROPOSED CHARTERS

The details on the Proposed Charters are set out in Section 4 of the Circular and certain key information have been extracted and reproduced as follows:

4.1 Certain Terms of the PIL Conditional Charter Agreements

The details on certain terms of the PIL Conditional Charter Agreements are set out in Section 4.1 of the Circular. We have set out below the relevant extracts of the section as follows:

In connection with the Proposed Charters, the Trustee-Manager has entered into the PIL Conditional Charter Agreements with PIL on 27 November 2007. The principal terms of the PIL Conditional Charter Agreements include, amongst others, the following:

- (i) KOTA NABIL and KOTA NAGA are expected to be chartered towards the end of March 2008 and May 2008 respectively.
- (ii) No penalties will be payable by the Trustee-Manager for delays on delivery of each of KOTA NABIL and KOTA NAGA for up to approximately 15 months.
- (iii) The charter hire of each of KOTA NABIL and KOTA NAGA will be fixed at US\$11,550 per day.
- (iv) The charter period will be for eight (8) years.
- (v) PIL shall indemnify the Trustee-Manager against any loss, damage or expense incurred by the Trustee-Manager arising out of or in relation to the operation of KOTA NABIL and KOTA NAGA by PIL and against any lien of whatsoever nature arising out of an event occurring during the charter period.

5. THE PROPOSED PROVISION OF SHIP MANAGEMENT SERVICES

The details on the Proposed Provision of Ship Management Services are set out in Section 7 of the Circular and certain key sections and/or information have been extracted and reproduced as follows:

5.1 Details of the Proposed Ship Management Services

The details of the Proposed Ship Management Services are set out in Section 7.1 of the Circular. We have set out below the relevant extracts of the section as follows:

The Trustee-Manager has entered into the Ship Management Agreement with PIL in relation to PST VALOUR and PST VICTORY on 14 September 2007 and its addendum dated 15 November 2007. Under the Ship Management Agreement, PST VALOUR and PST VICTORY will be managed by PIL in accordance with the terms of the Ship Management Agreement.

The Ship Management Fee was arrived at on an arm's length basis. The Trustee-Manager has determined, from a comparison of PIL's proposed ship management fees against quotations obtained from another third party ship manager, that PIL's ship management fees are comparable to the fees quoted by that third party ship manager.

5.2 Certain terms of the Ship Management Agreement

The details of the Ship Management Agreement are set out in Section 7.2 of the Circular. We have set out below the relevant extracts of the section as follows:

Under the Ship Management Agreement, ship management services in relation to PST VALOUR and PST VICTORY will be provided by PIL commencing from the date of delivery of the first vessel, PST VALOUR. The fees for the provision of such ship management services will be calculated based on the term of provision of such ship management services for each ship. The principal terms of the Ship Management Agreement include, among others, the following:

- (i) Ship management services will be performed at a rate of US\$90,000 per annum for each of PST VALOUR and PST VICTORY;
- (ii) PIL will provide services including but not limited to, the following:
 - (a) Crew management services

PIL will select and engage suitably qualified crew as required by PST, ensure that the laws of the flag of PST VALOUR and PST VICTORY are satisfied in respect of manning levels, rank qualification and certification of the crew, and provide other general administrative services in relation to the crew.
 - (b) Technical management services

PIL will provide competent personnel to supervise the maintenance and general efficiency of PST VALOUR and PST VICTORY, arrange and supervise dry dockings, repairs, alterations and the upkeep of PST VALOUR and PST VICTORY to the standards required by PST, and also develop, implement and maintain a safety management system in accordance with the ISM Code.
 - (c) Accounting Services

PIL will establish and maintain an accounting system which meets the requirements of PST, provide regular accounting services, and supply regular reports and records to PST, and
- (iii) PST will have the right at any time after giving reasonable notice to PIL to inspect PST VALOUR and PST VICTORY for any reason they consider necessary.

6. EVALUATION OF THE INTERESTED PERSON TRANSACTIONS

In our evaluation of whether the terms of the Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of PST and its minority Unitholders, we have taken into due consideration the following key factors:

- (a) the rationale for the Interested Person Transactions;
- (b) the valuation of the New Vessels as appraised by the Independent Valuers;

- (c) comparison of the purchase price for each New Vessel against comparable market transactions;
- (d) the reasonableness of the Bareboat Charter Rate for the New 1,800 TEU Vessels;
- (e) the reasonableness of the Ship Management Fees for the New 4,250 TEU Vessels;
- (f) review of the terms and conditions of the Conditional Memoranda of Agreement, PIL Conditional Charter Agreements and the Shipment Management Agreement; and
- (g) the pro forma unaudited financial effects for the Proposed Acquisitions and Proposed Charters.

These factors are discussed in greater detail in the ensuing paragraphs.

6.1 The rationale for the Interested Person Transactions

6.1.1 The rationale for the Proposed Acquisitions

The rationale for the Proposed Acquisitions is set out in Section 3 of the Circular. We recommend that the Audit Committee advise the minority Unitholders to read the section carefully. We have set out below the relevant key extracts of the section as follows:

(a) Yield accretion

The Trustee-Manager expects the Proposed Acquisitions to improve the DPU enjoyed by Unitholders, as the New Vessels have been, acquired at attractive prices relative to the cash flows they are expected to generate.

(b) Expanded charter portfolio and income diversification

Subject to Unitholders' approval, when the Proposed Acquisitions are completed and the four vessels are delivered to PST, the acquisitions and the chartering to CSAV and PIL are expected to improve the income growth of PST. The chartering of PST VALOUR and PST VICTORY are also expected to improve the income diversification of PST, thereby reducing the reliance by PST on income streams from the single charterer, PIL. This is consistent with the Trustee-Manager's long-term aim of diversifying its source of Charter Income. The Proposed Acquisitions are also in line with PST's overall growth strategy and will increase PST's TEU capacity and allow PST to diversify and grow its portfolio. The four vessels will represent, in aggregate, an increase of 87.0% in slot capacity over PST's Existing Portfolio. Overall, the Proposed Acquisitions and the Proposed Charter will increase PST's current aggregate contracted revenue by 79.0% to approximately US\$61.9 million per annum.

(c) Increase in charter income

PST has entered into long-term time charters of five years for PST VALOUR and PST VICTORY and the two new 4,250 TEU container vessels will be chartered at US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years, which the Trustee-Manager believes will underpin the stability of the charter income for PST.

(d) Increase in the number of vessels generating greater economies of scale

The Proposed Acquisitions will increase the number of Vessels from eight to 12. The Proposed Acquisitions would enlarge the portfolio of PST and this could potentially lower trust expenses (such as public relations, legal, regulatory and other costs) per vessel in relation to the Enlarged Portfolio.

(e) Competitive strengths of the New Vessels

The competitive strengths of the New Vessels and their charterers are as follows:

(i) Constructed by a reputable shipyard

The New Vessels were engineered and are being constructed by Dalian Shipbuilding Industry Co., Ltd (“**Dalian Shipbuilding**”) under the supervision of PIL. The Trustee-Manager believes that investing in vessels constructed by reputable shipyards will support their value in the secondary market for container ships.

(ii) Newly constructed

As the New Vessels will be newly built, this will result in lower maintenance and repair costs. The Trustee-Manager believes that the workmanship of the Dalian Shipbuilding is of a high quality which enhances durability of the New Vessels, thus reducing the operating and maintenance costs which would be relatively higher on older vessels.

(iii) Reputable charterer

PST VALOUR and PST VICTORY, when delivered, will be chartered to CSAV at US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years which the Trustee-Manager believes will underpin the stability of the charter income for PST.

KOTA NABIL and KOTA NAGA, when delivered, will be chartered to PIL at US\$11,550 per day for eight years which the Trustee-Manager believes will further underpin the stability of the charter income for PST.

(iv) Long term charter ensures steady income stream

PST has entered into charters of five years for PST VALOUR and PST VICTORY and charters of eight years for KOTA NABIL and KOTA NAGA. This will provide PST with stable income for distribution to Unitholders.

6.1.2 The rationale for the Proposed Charters

The rationale for the Proposed Charters is set out in Section 5 of the Circular. We recommend that the Audit Committee advise the minority Unitholders to read the section carefully. We have set out below the relevant key extracts of the section as follows:

(a) Increase in stable charter income through credit-worthy charterer

The New 1,800 TEU Vessels, when delivered, will be chartered to PIL at US\$11,550 per day for eight years which the Trustee-Manager believes will further secure a stable stream of additional charter income for PST. The Trustee-Manager believes that having a credit-worthy charterer like PIL will ensure a stable income stream for PST.

(b) Long term charter minimises PST's risk exposure to fluctuating market conditions

As the New 1,800 TEU Vessels, when delivered, will be bare-boat chartered to PIL at a fixed rate for eight years, the Trustee-Manager believes that this will minimise PST's risk exposure to fluctuating market conditions inherent in the shipping industry.

6.1.3 The rationale for the Proposed Provision of Ship Management Services

The rationale for the Proposed Provision of Ship Management Services is set out in Section 7.3 of the Circular. We recommend that the Audit Committee advise the minority Unitholders to read the section carefully. We have set out below the relevant key extracts of the section as follows:

(a) Continuity

The construction of PST VALOUR and PST VICTORY is supervised by PIL's technical team. To ensure continuity and smooth vessel operation after construction, it would be beneficial to PST that PIL continues to provide ship management services in relation to PST VALOUR and PST VICTORY after they are delivered. In particular, during the guarantee period in the first year when defects, covered under the guarantee agreements for PST VALOUR and PST VICTORY, can be rectified without additional cost to PST, PIL would, having supervised the construction of PST VALOUR and PST VICTORY, have the requisite technical background knowledge to identify any technical and operational defects with PST VALOUR and PST VICTORY. In addition, PIL's intimate knowledge of the technical and operational intricacies of PST VALOUR and PST VICTORY's design would facilitate their management of PST VALOUR and PST VICTORY.

(b) PIL has relevant operational experience

PIL currently has four sister vessels of similar specifications as PST VALOUR and PST VICTORY which are already in operation and the experience from the operation of these vessels can be effectively harnessed when operating PST VALOUR and PST VICTORY for PST.

(c) PIL will be able to generate economies of scale due to its large fleet

PIL, with its large fleet, is able to obtain favourable terms for insurance premiums, stores, lubricating oils and repair services, all of which when passed on to PST, will benefit the Unitholders.

6.2 The valuation of the New Vessels as appraised by the Independent Valuers

Braemar Seascope and Howe Robinson had been commissioned to assess the market value of the New 4,250 TEU Vessels namely PST VALOUR and PST VICTORY and New 1,800 TEU Vessels namely KOTA NABIL and KOTA NAGA respectively.

Based on the respective BSVL Valuation Certificates and HR Valuation Certificates set out in Appendix C of the Circular, each of the New 4,250 TEU Vessel is valued at US\$70 million and each of the New 1,800 TEU Vessel is valued at US\$43 million.

In evaluating the reasonableness of the purchase consideration for the each of the New Vessel, we have compared the appraised value and the purchase price for each of the New Vessel as follows:

New Vessels	Valuation Date	Appraised Value	Purchase Price	Premium / (Discount)	
		US\$ 'million	US\$ 'million	US\$ 'million	%
PST VALOUR	3 April 2007	70.0*	Approximately 68.1	(1.9)	(2.7)
PST VICTORY	3 April 2007	70.0*	Approximately 68.1	(1.9)	(2.7)
KOTA NABIL	23 October 2007	43.0^	43,0	-	-
KOTA NAGA	23 October 2007	43.0^	43,0	-	-
Total Purchase Consideration		226.0	Approximately 222.2		

Notes:

* Braemar Seascope has also confirmed that as at 12 September 2007, the appraised values of PST VALOUR and PST VICTORY are maintained.

The valuation is based on a willing buyer and willing seller basis, which is a widely accepted valuation method in the market, with delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever. The valuation is further given on the basis that the said vessel is charter free.

[^] *The valuation is based on a willing buyer and willing seller basis, which is a widely accepted valuation method in the market, and also on the basis that on delivery, the New 1,800 TEU Vessels will be charter free, in sea going condition, in class and free from all class conditions. It is further assumed that the New 1,800 TEU Vessels will be free from all liens and encumbrance and that the terms of shipbuilding contract will have been fulfilled by all relevant parties, and that no further payments to the yard would be due from the new owner.*

Please refer to Appendix C of the Circular for further details on the valuation assumptions and methods in relation to the New Vessels.

Based on the table above, we noted that:

- (i) the purchase consideration of US\$68.1 million for each New 4,250 TEU Vessel is at a discount of US\$1.9 million or 2.7% compared to its appraised value; and
- (ii) the purchase consideration of US\$43.0 million for each New 1,800 TEU Vessel is equivalent to its appraised value.

In addition, as set out in PST's prospectus dated 19 May 2006 ("**PST Prospectus**") under the "Corporate Governance" section and sub-section "Future Interested Person Transactions" where it was stated that in respect of an acquisition of vessels by PST from an interested person, the Trustee-Manager will first obtain valuations from one or more independent third party valuers and the purchase price shall not be more than the highest of the assessed values, if more than one valuation is obtained ("**IPT Acquisition Procedure**").

Based on our observations, we note that the IPT Acquisition Procedure in relation to the Proposed Acquisitions has been complied with.

6.3 Comparison of the purchase price for each New Vessel against comparable market transactions

We have also tabulated below broadly comparable transactions involving vessels which have specifications comparable to the New Vessels.

For illustration purposes only, we have made comparisons between:

- (i) the purchase consideration of approximately US\$68.1 million for each New 4,250 TEU Vessel to the purchase consideration of a comparable vessel in recent market transactions ("**Comparable 4,250 TEU Transactions**"); and
- (ii) the purchase consideration of US\$43.0 million for each New 1,800 TEU Vessel to the purchase consideration of a comparable vessel in recent market transactions ("**Comparable 1,800 TEU Transactions**")

(the Comparable 4,250 TEU Transactions and Comparable 1,800 TEU Transactions are collectively referred to as "**Comparable Vessel Transactions**").

Whilst we have based our comparisons to the Comparable Vessel Transactions, we recognise that there is no specific vessel which is considered to be identical to the New Vessels in terms of similar age, deliveries, type and other technical specifications.

Accordingly, the Audit Committee should note that any comparisons made with respect to the purchase consideration of the New Vessels to the purchase price indicated by the Comparable Vessel Transactions serves as an illustrative guide only.

6.3.1 Comparable 4,250 TEU Transactions

The table below sets out the details of the Comparable 4,250 TEU Transactions as follows:

Name of Buyer	Vessel Name	Capacity (TEUs)	Purchase Price US\$ 'million	Purchase Price per TEU US\$'000
Rickmers Maritime ¹	CMA CGM Azure and CMA CGM Purple	4,250	72.7 [^]	17,106
Danaos Shipping ²	YM Seattle	4,253	70.0	16,459
Sea Span ³	Not available	4,250	66.1	15,553
Rickmers Maritime ⁴	Not available	4,250	69.0	16,235
Rickmers Maritime ⁵	Not available	4,250	72.0	16,941
	High		72.7	17,106
	Low		66.1	15,553
	Average		70.0	16,459

Details of the New 4,250 TEU Vessels

PST	PST VALOUR	4,250	68.1	16,024
PST	PST VICTORY	4,250	68.1	16,024

Notes:

- [^] Based on Rickmers Maritime prospectus dated 24 April 2007 ("**Rickmers Prospectus**"), the purchase consideration for the two vessels is US\$145.4 million.
- 1 Extracted from the information and valuation report(s) set out in the Rickmers Prospectus.
- 2 Extracted from the Container Intelligence Monthly (October 2007) report, prepared by Clarkson Research Services Limited.
- 3 Extracted from Sea Span's announcement dated 12 April 2007.
- 4 Extracted from Rickmers Maritime announcement dated 12 September 2007. Rickmers Maritime has placed four (4) of such vessels on order.
- 5 Extracted from Rickmers Maritime announcement dated 11 October 2007. Rickmers Maritime has placed five (5) of such vessels on order.

Premised on the above, we note that the purchase consideration of US\$68.1 million for each New 4,250 TEU Vessel is within the range and below the average purchase price transacted in the Comparable 4,250 TEU Transactions, The purchase consideration of US\$68.1 million is at a discount of approximately 2.7% to the average purchase price transacted in the Comparable 4,250 TEU Transactions.

6.3.2 Comparable 1,800 TEU Transactions

The table below sets out the details of the Comparable 1,800 TEU Transactions as follows:

Name of Buyer	Vessel Name	Capacity (TEUs) [^]	Purchase Price US\$ 'million	Purchase Price per TEU US\$'000
Clients of STX Pan Ocean ¹	Not available	1,740	40.0	22,989
Undisclosed Indonesian buyer ²	Madison Strait	1,795	44.5	24,791
Samudera Shipping Line Ltd ³ ("Samudera")	Not available	1,740	41.5	23,851
Not available ⁴	Not available	1,740	44.0	25,287
Not available ⁴	Cape Nelson	1,740	47.0	27,011
Not available ⁴	Wenchong Huangpu	1,740	45.0	25,862
	High		47.0	27,011
	Low		40.0	22,989
	Average		43.7	24,965

Details of the New 1,800 TEU Vessels

PST	KOTA NABIL	1,800	43.0	23,889
PST	KOTA NAGA	1,800	43.0	23,889

Notes:

- [^] Based on the Independent Opinion Letter, we have selected the Wenchong type vessel and deemed it to be comparable with the New 1,800 TEU Vessel.
- ¹ Extracted from the Container Intelligence Monthly (September 2007) report, prepared by Clarkson Research Services Limited.
- ² Extracted from the Quarterly Container Market Briefing, 3rd Quarter 2007 report, prepared by Braemar Seascope Containers.
- ³ Extracted from Samudera's announcement dated 26 September 2007.
- ⁴ Quotation provided by an independent third party ship broker. For confidentiality purposes, the name of the ship broker will not be disclosed.

We note that the purchase consideration of US\$43.0 million for each New 1,800 TEU Vessel is within the range and below the average purchase consideration transacted in the Comparable 1,800 TEU Transactions. The purchase consideration of US\$43.0 million is at a discount of approximately 1.6% to the average purchase price transacted in the Comparable 1,800 TEU Transactions.

6.4 The reasonableness of the Bareboat Charter Rate for the New 1,800 TEU Vessels

In assessing the reasonableness of the Bareboat Charter Rate of US\$11,550 per day for the New 1,800 TEU Vessels, we have taken into consideration the following:

6.4.1 The Independent Opinion Letter

The Trustee-Manager had appointed the Independent Broker to express an independent opinion on the Bareboat Charter Rate for the New 1,800 TEU Vessels.

In arriving at its opinion, the Independent Broker had taken into consideration the following factors:

- (i) the current time charter rates for a comparable New 1,800 TEU Vessel namely the Wenchong type vessel (“**Comparable Time Charter Rate**”);
- (ii) discounting the Comparable Time Charter Rate for a charter period which is longer than the normal charter period for such comparable New 1,800 TEU Vessel (“**Adjusted Comparable Time Charter Rate**”); and
- (iii) adjusting the Adjusted Comparable Time Charter Rate for the estimated running costs (“**Indicative Charter Rate**”).

We have briefly summarised the assumptions used by the Independent Broker in arriving at the equivalent Indicative Charter Rate as follows:

Descriptions	Approximately US\$
Comparable Time Charter Rate ¹	18,500
Adjusted Comparable Time Charter Rate ²	15,000
Estimated running costs for a comparable Wenchong type vessel ³	4,400 or 4,500

Notes:

1 We have also set out the time charter rate analysis based on the comparable Wenchong type vessel in Section 6.4.2 of our IFA Letter. In relation thereto, we recognise that there is no specific vessel which is considered to be identical to the New 1,800 TEU Vessels in terms of similar age, deliveries, type and other technical specifications.

Accordingly, the Audit Committee should note that any comparisons made herein serves as an illustrative guide only.

2 Based on the Independent Opinion Letter, the Independent Broker is of the opinion that the time charter rate could be discounted by US\$500 to US\$600 per year for a charter which exceeds the norm of 2-year time charter period.

We also highlight that as set out in the Independent Opinion Letter, there is no existing methodology, formula or discount factor which can be applied to convert a 2-year time charter to an 8-year time charter, the Independent Broker has assumed a very conservative discount of US\$500 to US\$600 per year for every extra year exceeding the 2-year charter period.

3 In the Independent Opinion Letter, we note that crewing and other costs are expected to become more expensive over the next years.

We note that as set out in the Independent Opinion Letter, the present charter period for a comparable New 1,800 TEU Vessel is usually for a 2-year period and a 8-year period charter is considered a long term commitment and unusual for this size.

Based on the above and assuming the Bareboat Charter Rate of US\$11,550 per day is added on with the estimated running costs of US\$4,400 or US\$4,500 per day, this will yield an Indicative Charter Rate of approximately US\$16,000 per day for eight years for each of the New 1,800 TEU Vessel, of which the Independent Broker is the opinion that it is would almost certainly not be obtainable in the present time charter market.

6.4.2 Comparison of the Bareboat Charter Rate with the comparable Indicative Bareboat Charter Rate

The New 1,800 TEU vessels are under Charter Agreements for eight (8) years. However, as per the management of the Trustee-Manager, there are generally no readily available rates on bareboat charters from commonly used sources. This has also been confirmed with certain independent shipping brokers.

Therefore for the purpose of illustration only, we have used the current time charter rates for vessels which have comparable specifications to the New 1,800 TEU Vessels, namely the Wenchong type vessels (“**Comparable Wenchong Vessel(s)**”) after adjustments for differences in capacity, charter period and the estimated average daily running costs to arrive at an indicative bareboat charter rate (“**Indicative Bareboat Charter Rate**”) for the purposes of our comparison with the Bareboat Charter Rate.

For illustrative purposes, we have set out below the comparison of the Bareboat Charter Rate with the Indicative Bareboat Charter Rate as follows:

Comparable Wenchong Vessels	Charterer	Capacity (TEUs)	Time Charter Duration	Time Charter Rates	Adjusted 8-Year Period Time Charter Rates*	Indicative Bareboat Charter Rates^
			Months	US\$ / day	US\$ / day	US\$ / day
Louisa Schulte ¹	WanHai	1,740	24	18,500	15,500	11,100
Hansa Oldenburg ²	Seacon	1,740	12	18,650	15,650	11,250
Madison Strait ²	Seacon	1,795	12	18,250	15,250	10,850
Troyburg ²	PIL	1,797	24	17,150	14,150	9,750
Hansa Marburg ²	Seacon	1,740	12	18,000	15,000	10,600
Gloria ²	CSAV	1,730	24	16,500	13,500	9,100
Madison Strait ³	Samudera	1,795	60	15,000	13,500	9,100
Tiger Bridge ³	Not available	1,800	24	16,500	13,500	9,100
				High	15,650	11,250
				Low	13,500	9,100
				Average	14,506	10,106

Details of the New 1,800 TEU Vessels

KOTA NABIL	PIL	1,800	96	11,550
KOTA NAGA	PIL	1,800	96	11,550

Notes:

- * We have assumed a discount of US\$500 per year (based on the assumption set out in the Independent Opinion Letter) for time charter period exceeding the normal 2-year period for such Comparable Wenchong Vessels.
- ^ Arrived at after adjusting the “Adjusted 8-Year period time charter rates” for an estimated running cost of approximately \$4,400 per day.
- 1 Extracted from the Quarterly Container Market Briefing, 3rd Quarter 2007 report, prepared by Braemar Seascope Containers.
- 2 Extracted from the Container Intelligence Monthly (August 2007) report, prepared by Clarkson Research Services Limited.
- 3 Extracted from the Container Intelligence Monthly (September 2007) report, prepared by Clarkson Research Services Limited.

Based on the above, we note the Bareboat Charter Rate of US\$11,550 per day under the PIL Conditional Charter Agreements is above the range and the average of the Indicative Bareboat Charter Rate.

6.4.3 Comparison of the discounts attributable to longer charter period

As a further illustration, we have also set out below the typical discount for a charter period above 2 years based on publicly available information.

For illustrative purpose only, we have set out the typical discount that is applied for a comparable vessel to the New 1,800 TEU Vessel for a charter which is above the normal charter period as follows:

Comparable Wenchong Vessels	Charter	Capacity (TEUs)	Date Built	Time Charter Duration months	Time Charter Rates US\$ / day
Madison Strait ¹	Seacon	1,795	2007	12	18,250
Madison Strait ²	Samudera	1,795	2007	60	15,000
Difference				48	3,250

Notes:

- 1 Extracted from the Container Intelligence Monthly (August 2007) report, prepared by Clarkson Research Services Limited.
- 2 Extracted from the Container Intelligence Monthly (September 2007) report, prepared by Clarkson Research Services Limited.

As shown in the above table, the time charter rate of a Comparable Wenchong Vessel is subjected to a discount for time charter period exceeding the conventional charter period of 1 – 2 years.

From the observation above, we note that there is an implied discount of approximately US\$800 per year (“**Implied Discount**”) for every year exceeding the conventional charter period. We have also confirmed the typical discount of US\$500 to US\$600 per year assumed in the Independent Opinion Letter with certain independent shipbrokers and noted that the typical discount is not unreasonable.

In addition, as set out in PST’s Prospectus under the “Corporate Governance” section and sub-section “Future Interested Person Transactions” where it was stated that in respect of an acquisition of vessels by PST from an interested person tied to a charter back arrangement, the Trustee-Manager will first obtain valuations and opinions from one or more independent third party valuers and the purchase price and charter rate shall not be less favourable than the least favourable of the assessed values and charter rates quoted by the independent valuers from PST’s perspective (“**IPT Sale and Leaseback Procedure**”).

Based on our observations, we note that the IPT Sale and Leaseback Procedure in relation to the Proposed Charter has been complied with.

6.5 The reasonableness of the Ship Management Fees for the New 4,250 TEU Vessels

In assessing the reasonableness of the Ship Management Fees, we have made comparisons of the Ship Management Fees against quotations obtained from independent third party ship managers (“**Comparable Ship Management Fees**”).

Accordingly, the Audit Committee should note that any comparisons made with respect to the Ship Management Fees against the Comparable Ship Management Fees serves as an illustrative guide only.

For illustrative purposes, we set out below the comparison between the Ship Management Fees against the Comparable Ship Management Fees as follows:

	Capacity (TEUs)	Ship Management Fees US\$ / annum
Quote 1 ¹	4,250	96,000
Quote 2 ¹	4,300	104,000
Quote 3 ²	4,250	114,000
High		114,000
Low		96,000
Average		104,667
Details of the Ship Management Fees		
PST VALOUR	4,250	90,000
PST VICTORY	4,250	90,000

Notes:

- 1 *Quotation provided by an independent third party ship broker. For confidentiality purposes, the name of the ship broker has not been disclosed.*
- 2 *Based on Rickmers’ Prospectus, the ship management fees is US\$9,500 per month, which translates to US\$114,000 per year.*

As illustrated in the table above, we note that the Ship Management Fees is below the range and the average Comparable Ship Management Fees.

In addition, as set out in PST Prospectus under the “Corporate Governance” section and sub-section “Future Interested Person Transactions” where it was stated that in respect of engaging an interested person as a ship manager, the Trustee-Manager will first obtain quotation from one or more independent third party ship managers on the then prevailing ship management fees in the market for similar services to be provided by the interested person and the ship management fee payable to the interested person shall not be more than the higher of the fees quoted by the independent third party ship managers (“**IPT Ship Management Procedure**”).

Based on our observations, we note that the IPT Ship Management Procedure in relation to the Proposed Provision of Ship Management Services has been complied with.

6.6 The pro forma unaudited financial effects for the Proposed Acquisitions and Proposed Charters

The unaudited pro forma financial effects of the Proposed Acquisitions and Proposed Charters are set out in Section 6.2 and Appendix B of the Circular.

The extracts of the unaudited pro forma financial effects of the Proposed Acquisitions and Proposed Charters set out below are for illustrative purposes only and do not reflect the future actual results or financial position of PST after the completion of the Proposed Acquisitions and Proposed Charters.

We recommend that the Audit Committee advise the minority Unitholders to read the Section 6 and Appendix B of the Circular, in particular the assumptions relating to the preparation of the unaudited pro forma financial effects.

6.6.1 Unaudited Pro Forma DPU

The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on PST's DPU for the financial year ended 31 December 2006, assuming the Proposed Acquisitions and the Proposed Charters were completed since PST's Listing Date (26 May 2006), and held for the financial period ended 31 December 2006, are as follows:

	Existing Portfolio	Enlarged Portfolio
Net income before tax (US\$'000)	6,865	6,888 ⁽¹⁾
Distributable income (US\$'000)	8,372	10,916 ⁽²⁾
Units in issue ('000)	337,000	337,000 ⁽³⁾
DPU (US cents)	2.48 ⁽⁴⁾	3.24 ⁽⁴⁾

Notes:

- 1 Includes PST's charter income from the Proposed Charters and deducting the additional finance costs, management fee and trust expenses incurred in connection with the Proposed Acquisitions and the Proposed Charters. The net income before tax was derived after deducting interest costs and depreciation, but before deduction of income tax expenses from interest income from fixed deposits.
- 2 Distribution for 2006 was based on 100.0% of distributable income, except for interest income from fixed deposits of US\$0.10 million, which was retained for working capital.
- 3 Units in issue as at 26 May 2006 was 337,000,000. There were no new Units issued thereafter.
- 4 Computed based on the distributable income of the Existing/Enlarged Portfolio for the financial year ended 31 December 2006 over the number of Units in issue as at 31 December 2006.

Based on the above, we note that the DPU will improve by 0.76 US cents or 30.6% subsequent to the completion of the Proposed Acquisitions and Proposed Charters. This is also in line with the rationale of the Proposed Acquisitions set out in Section 3.1 of the Circular which amongst others states that the Proposed Acquisitions will be yield accretive and expected to improve to the DPU enjoyed by Unitholders.

6.6.2 Unaudited Pro Forma NAV

The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on the NAV per Unit as at 31 December 2006, based on the assumptions described in Section 6.2.2 and Appendix B are set out in the table below:

	As at 31 December 2006	
	Existing Portfolio	Enlarged Portfolio
NAV (US\$'000)	148,636 ⁽¹⁾	146,115 ⁽²⁾
Units in issue ('000)	337,000 ⁽³⁾	337,000 ⁽³⁾
NAV per Unit (US\$)	0.441	0.434 ⁽⁴⁾

Notes:

- 1 Based on the Audited Financial Statements.
- 2 Based on the Audited Financial Statements, and adjusted for the impact arising from the Proposed Acquisitions and the Proposed Charters.
- 3 Actual Number of Units in issue as at 31 December 2006.
- 4 The pro forma financial effects of the Proposed Acquisitions and the Proposed Charters on the NAV per Unit as at 31 December 2006 are based on the following assumptions: (i) 100.0% loan financing for all Proposed Acquisitions; and (ii) the asset value of the Enlarged Portfolio are assumed to be at the depreciated net book value as at 31 December 2006.

Based on the above, we note that the NAV per Unit has decreased slightly from 0.7 US cents or 1.6% after the completion of the Proposed Acquisitions and Proposed Charters.

6.7 Review of the terms of the Conditional Memoranda of Agreement, PIL Conditional Charter Agreements and Ship Management Agreement

Based on the legal review conducted by Haridass Ho and Partners on the Proposed Acquisitions, Proposed Charters and Proposed Provision of Ship Management ("**Interested Person Transactions Agreements**"), it is opined that such agreements are on normal standard agreements used in the industry with no particular clause in the Interested Person Transactions Agreements being prejudicial to PST.

7. OPINION

In arriving at our opinion, we have taken into account a range of various factors which we consider, subject to the availability of data, to be pertinent and have a significant bearing on our assessment of the Interested Person Transactions. We have carefully considered as many factors as we deemed essential and balanced them before reaching our opinion. Accordingly, it is important that our letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

Our opinion is based solely on information available as at the date of this letter. The principal factors that we have taken into consideration in forming our opinion are summarised as below:

- (i) the rationale for the Interested Person Transactions, details of which is set out in Section 6.1 of our IFA Letter;

- (ii) the purchase consideration of US\$68.1 million for each of the New 4,250 TEU Vessel is at a discount of US\$1.9 million or 2.7% compared to its appraised value;
- (iii) the purchase consideration of US\$43.0 million for each of the New 1,800 TEU Vessel is equal to its appraised value;
- (iv) the purchase consideration of US\$68.1 million for each New 4,250 TEU Vessel is within the range and below the average purchase price transacted in the Comparable 4,250 TEU Transactions. The purchase consideration of US\$68.1 million is also at a discount of approximately 2.7% to the average purchase price transacted in the Comparable 4,250 TEU Transactions;
- (v) the purchase consideration of US\$43.0 million for each New 1,800 TEU Vessel is within the range and below the average purchase consideration transacted in the Comparable 1,800 TEU Transactions. The purchase consideration of US\$43.0 million is also at a discount of approximately 1.6% to the average purchase price transacted in the Comparable 1,800 TEU Transactions;
- (vi) the opinion from the Independent Broker that, the Bareboat Charter Rate of US\$11,550 per day for eight years is fair and relates favourably to the current time charter rates for a Comparable Wenchong Vessel;
- (vii) the Bareboat Charter Rate of US\$11,550 per day is above the range and the average Indicative Bareboat Charter Rate, details of which is set out in Section 6.4.2 of our IFA Letter;
- (viii) the Ship Management Fees is below the range and the average Comparable Ship Management Fees;
- (ix) the DPU will improve by 0.76 US cents or 30.6% subsequent to the completion of the Proposed Acquisitions and Proposed Charters;
- (x) the NAV per Unit has decreased slightly from 0.7 US cents or 1.6% after the completion of the Proposed Acquisitions and Proposed Charters; and
- (xi) the Interested Person Transactions Agreements are on normal standard agreements used in the industry with no particular clause in the Interested Person Transactions Agreements being prejudicial to PST as opined by Haridass Ho and Partners.

Accordingly, after taking into account the above factors, PwCCF is of the opinion as of the date hereof that the Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of PST and its minority Unitholders.

We therefore advise the Audit Committee to recommend that the minority Unitholders vote in favour of the resolutions to be proposed in respect of the Interested Person Transactions at the EGM, the notice of which is set out in the Circular. However, we wish to highlight that each Unitholder may have different investment objectives and considerations and hence should seek their own professional advice.

This IFA Letter is addressed to the Audit Committee for their benefit, in connection with and for the purpose of their consideration of the Interested Person Transactions, and the recommendation made by the Audit Committee to the minority Unitholders shall remain the responsibility of the Audit Committee. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither PST nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PwCCF in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours truly
For and on behalf of
PricewaterhouseCoopers Corporate Finance Pte Ltd



Kan Yut Keong
Managing Director



Ng Jiak See
Executive Director

PROPOSED AUTHORISED INVESTMENT SUPPLEMENT TO THE TRUST DEED

The proposed form of the Authorised Investment Supplement is as follows:

- That Clause 1.1 of the Trust Deed be amended by the following deletion indicated by the deleted text:

“1.1 **“Authorised Investments”** means:

- (i) ~~container-vessels;~~
- (ii) listed or unlisted debt securities and listed or unlisted shares or stock of or issued by local or foreign companies or corporations;
- (iii) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;
- (iv) Cash and Cash Equivalent Items;
- (v) financial derivatives only for the purposes of (a) hedging existing positions in the Trust’s portfolio where there is a strong correlation to the underlying assets, liabilities or undertakings, (b) efficient portfolio management or (c) management of risks associated with any Authorised Business undertaken by the Trust, provided that such derivatives are not used to gear the overall portfolio of the Trust or intended to be borrowings of the Trust; and
- (vi) any other investment not covered by paragraph (i) to (v) of this definition but specified as a permissible investment in any applicable guidelines issued by the MAS and selected by the Trustee-Manager for investment by the Trust incidental to or in connection with the carrying on of any Authorised Business,”

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PROPOSED AUTHORISED BUSINESS SUPPLEMENT TO THE TRUST DEED

The proposed form of the Authorised Business Supplement is as follows:

- That Clause 1.1 of the Trust Deed be amended by the following insertion indicated by the underlined text:

“1.1 **“Authorised Business”** means:

- (i) the acquisition, disposition, ownership, management, operation, finance leasing, leasing and chartering of vessels and all activities, concerns, functions and matters reasonably incidental thereto, including without limitation, commissioning shipbuilders for the construction of a newbuilding or conversion of an existing vessel;
- (ii) ownership of Subsidiaries, which are engaged in the acquisition, disposition, ownership, management, operation, finance leasing, leasing and chartering of vessels and all activities, concerns, functions and matters reasonably incidental thereto, including without limitation, commissioning shipbuilders for the construction of a newbuilding or conversion of an existing vessel;
- (iii) any business, undertaking or activity incidental to the operation of the businesses referred to in paragraph (i) and (ii) of this definition.”

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Pacific Shipping Trust (“PST”) will be held at NTUC Business Centre, 1 Marina Boulevard, Level 7 Room 701, Singapore 018989 on 22 February 2008 at 2.00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION

1. THE PROPOSED ACQUISITION OF PST VALOUR, A 4,250 TEU CONTAINER VESSEL (HULL NO. C4250-24)

That:

- (a) approval be and is hereby given for the acquisition of PST VALOUR, a container vessel (Hull No. C4250-24) with a capacity of 4,250 TEU (“PST VALOUR”) from Tranpac Holdings Inc., Panama (“Tranpac”) on the terms and conditions of the PST VALOUR Conditional Memorandum of Agreement dated 14 September 2007 (and its addendum dated 9 November 2007) relating to PST VALOUR entered into between Tranpac and PST Management Pte. Ltd., as trustee-manager of PST (“Trustee-Manager”), the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any director of the Trustee-Manager (“Director”) be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the acquisition of PST VALOUR and any act by the Trustee-Manager and/or any Director in connection with the acquisition of PST VALOUR be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

2. THE PROPOSED ACQUISITION OF PST VICTORY, A 4,250 TEU CONTAINER VESSEL (HULL NO. C4250-25)

That:

- (a) approval be and is hereby given for the acquisition of PST VICTORY, a container vessel (Hull No. C4250-25) with a capacity of 4,250 TEU (“PST VICTORY”) from Tranpac on the terms and conditions of the PST VICTORY Conditional Memorandum of Agreement dated 14 September 2007 (and its addendum dated 9 November 2007) relating to PST VICTORY entered into between Tranpac and the Trustee-Manager, the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the acquisition of PST VICTORY and any act by the Trustee-Manager and/or any Director in connection with the acquisition of PST VICTORY be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

3. THE PROPOSED ACQUISITION OF KOTA NABIL, A 1,800 TEU CONTAINER VESSEL (HULL NO. CS1800-1)

That subject to and conditional upon the passing of Resolution 5:

- (a) approval be and is hereby given for the acquisition of KOTA NABIL, a container vessel (Hull No. CS1800-1) with a capacity of 1,800 TEU (“**KOTA NABIL**”) from Tranpac on the terms and conditions of the KOTA NABIL Conditional Memorandum of Agreement dated 27 November 2007 relating to KOTA NABIL entered into between Tranpac and the Trustee-Manager, the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the acquisition of KOTA NABIL and any act by the Trustee-Manager and/or any Director in connection with the acquisition of KOTA NABIL be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

4. THE PROPOSED ACQUISITION OF KOTA NAGA, A 1,800 TEU CONTAINER VESSEL (HULL NO. CS1800-2)

That subject to and conditional upon the passing of Resolution 6:

- (a) approval be and is hereby given for the acquisition of KOTA NAGA, a container vessel (Hull No. CS1800-2) with a capacity of 1,800 TEU (“**KOTA NAGA**”) from Tranpac on the terms and conditions of the KOTA NAGA Conditional Memorandum of Agreement dated 27 November 2007 relating to KOTA NAGA entered into between Tranpac and the Trustee-Manager, the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the acquisition of KOTA NAGA and any act by the Trustee-Manager and/or any Director in connection with the acquisition of KOTA NAGA be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

5. THE PROPOSED CHARTER OF KOTA NABIL

That subject to and conditional upon the passing of Resolution 3:

- (a) approval be and is hereby given for the entry into a bareboat charter with Pacific International Lines (Private) Limited (“**PIL**”) with a fixed charter hire of US\$11,550 per day for a charter period of eight years on the terms and conditions of the conditional bareboat charter dated 27 November 2007 entered into with PIL in relation to KOTA NABIL, the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the bareboat charter of KOTA NABIL to PIL and any act by the Trustee-Manager and/or any Director in connection with the bareboat charter of KOTA NABIL to PIL be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

6. THE PROPOSED CHARTER OF KOTA NAGA

That subject to and conditional upon the passing of Resolution 4:

- (a) approval be and is hereby given for the entry into a bareboat charter with a fixed charter hire of US\$11,550 per day for a charter period of eight years on the terms and conditions of the conditional bareboat charter dated 27 November 2007 entered into with PIL in relation to KOTA NAGA, the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the bareboat charter of KOTA NAGA to PIL and any act by the Trustee-Manager and/or any Director in connection with the bareboat charter of KOTA NAGA to PIL be and is hereby approved, confirmed and ratified.

ORDINARY RESOLUTION

7. THE PROPOSED PROVISION OF SHIP MANAGEMENT SERVICES BY PIL TO PST

That subject to and conditional upon the passing of both Resolution 1 and Resolution 2:

- (a) approval be and is hereby given for the provision of ship management services by PIL to PST in respect of PST VALOUR and PST VICTORY under the terms and conditions of the Ship Management Agreement dated 14 September 2007 and its addendum dated 15 November 2007 entered into between the Trustee-Manager and PIL the entry into which by the Trustee-Manager is hereby approved, confirmed and ratified;
- (b) the Trustee-Manager and any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the Ship Management Agreement and any act by the Trustee-Manager and/or any Director in connection with the provision of ship management services by PIL to PST under the proposed Ship Management Agreement be and is hereby approved, confirmed and ratified.

EXTRAORDINARY RESOLUTION

8. SUPPLEMENTING THE TRUST DEED WITH THE AUTHORISED INVESTMENT SUPPLEMENT

That:

- (a) approval be and is hereby given to supplement the trust deed constituting PST dated 25 April 2006 (the "**Trust Deed**") with the Authorised Investment Supplement (as defined in the Circular) in the manner set out in Appendix E of the Circular; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the Authorised Investment Supplement.

EXTRAORDINARY RESOLUTION

9. SUPPLEMENTING THE TRUST DEED WITH THE AUTHORISED BUSINESS SUPPLEMENT

That:

- (a) approval be and is hereby given to supplement the Trust Deed with the Authorised Business Supplement (as defined in the Circular) in the manner set out in Appendix F of the Circular; and
- (b) the Trustee-Manager and/or any Director be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of PST to give effect to the Authorised Business Supplement.

BY ORDER OF THE BOARD
PST MANAGEMENT PTE. LTD.
(as trustee-manager of Pacific Shipping Trust)

Ms Lim Ka Bee
Company Secretary
Singapore
28 January 2008

Notes:

1. A PST unitholder (“**Unitholder**”) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.
2. The instrument appointing a proxy must be lodged at the Trustee-Manager’s registered office at 140 Cecil Street, #09-01 PIL Building, Singapore 069540 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

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Notes To Proxy Form

1. A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of PST, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies must be deposited at the Trustee-Manager’s registered office at 140 Cecil Street, #09-01 PIL Building, Singapore 069540, not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Trustee-Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
8. The Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Trustee-Manager.
9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
10. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
11. On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.

PACIFIC SHIPPING TRUST

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We _____ (Name)

of _____ (Address)

being a unitholder/unitholders of Pacific Shipping Trust ("PST"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			Number of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			Number of Units	%

or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of PST to be held at NTUC Business Centre, 1 Marina Boulevard, Level 7 Room 701, Singapore 018989 on 22 February 2008 at 2.00 p.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

No.	Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	Number of Votes For**	Number of Votes Against**
1.	To approve the proposed acquisition of Container Vessel (Hull No. C4250-24) (Ordinary Resolution)				
2.	To approve the proposed acquisition of Container Vessel (Hull No. C4250-25) (Ordinary Resolution)				
3.	To approve the proposed acquisition of Container Vessel (Hull No. CS1800-1) (Ordinary Resolution)				
4.	To approve the proposed acquisition of Container Vessels (Hull No. CS1800-2) (Ordinary Resolution)				
5.	To approve the proposed charter of Container Vessel (Hull No. CS1800-1) (Ordinary Resolution)				
6.	To approve the proposed charter of Container Vessel (Hull No. CS1800-2) (Ordinary Resolution)				
7.	To approve the proposed provision of Ship Management Services by PIL to PST (Ordinary Resolution)				
8.	To approve the Authorised Investment Supplement (Extraordinary Resolution)				
9.	To approve the Authorised Business Supplement (Extraordinary Resolution)				

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided.

** If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____

Total number of Units held

Signature(s) of Unitholder(s)/Common Seal

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2nd fold here

Affix
Postage
Stamp

The Company Secretary
PST Management Pte. Ltd.
(as trustee-manager of Pacific Shipping Trust)
140 Cecil Street
#09-01 PIL Building
Singapore 069540

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