



For Immediate Release

PST's Q3 2007 distributable income 4% higher than Q3 2006

- DPU of 1.09 cents offers tax-free annualised yield of 9.6% for Q3 2007
- More acquisitions in the pipeline

SINGAPORE, October 22, 2007 – PST Management (PSTM), trustee-manager of Pacific Shipping Trust (PST), today announced it would distribute US\$3.67 million to unitholders for the third quarter ended September 30, 2007. This is an increase of 4% over the corresponding 3rd quarter of 2006.

Distribution per unit (DPU) amounted to 1.09 cents which is 1% above the 1.08 cents projected at its IPO in May 2006.

Based on the IPO price of US\$0.45 per unit, the distribution (YTD) amounted to an annualised yield of 9.5% while on the closing price of US\$0.44 at October 22, it is 9.7%,

Net profit after tax for Q3 2007 was US\$589,000 compared to US\$31,000 in the previous corresponding period due to decrease in fair value losses in interest rate swaps which has no impact on the distributable income. The Q3 2007 net profit was 83% lower than the IPO projection as the latter assumed no change in the fair value of the swaps.

PST used interest rate swaps to fix the cost of its borrowings at 5.97%.

<p>DBS is the financial adviser, underwriter and bookrunner for the initial public offering of PST.</p>

The net profit was achieved on gross revenue of US\$8.70 million from the charter of PST's existing portfolio of eight vessels and interest income of US\$183,000. Management fee of US\$348,000 remained unchanged while depreciation at US\$3.22 million was 4% higher than projected during the IPO and unchanged against Q3 2006.

Other trust expenses comprised mainly professional fees, regulatory fees and administrative fees at US\$139,000 were 9% higher than IPO projection but 7% lower than the same quarter last year.

On September 14, 2007, PST announced that it was acquiring two 4,250 TEU vessels from Pacific International Lines (PIL). The vessels will be time chartered to Compania SudAmericana de Vapores SA, the largest liner shipping company in South America.

Subhangshu Dutt, CEO of PSTM, said: "We are pleased to be able to consistently exceed or meet our distributable income projections.

"Our planned US\$136 million acquisition of two vessels and charters to CSAV of Chile should in the coming years enlarge our earnings and enhance yields for unitholders.

"We are working on more yield-accretive acquisitions that will help us achieve our targets of diversifying our charterer portfolio, vessel type and charter expiry profile."

Upon approval by unitholders, the new charter will increase slot capacity by 61% and improve revenue by 54% to about US\$53 million per annum.

PST owns a portfolio of eight container ships of between 943 TEU and 3081 TEU, which were acquired from IPO sponsor, Pacific International Lines (PIL). These vessels are chartered back to PIL at rates for between eight and ten years.

The latest distribution of 1.09 cents will be made on November 29, 2007. Unitholders do not have to pay Singapore tax on the distributable income.

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About Pacific Shipping Trust

Pacific Shipping Trust is the first business trust listed on the Singapore Exchange. It provides shipping companies with innovative financing and leasing structures that enable them to expand their fleet without straining their capital. By acquiring vessels and leasing them to reputable charterers either on long-term bareboat charters or short-term time charters, PST seeks to generate a steady stream of high-yielding income for its unitholders.

The trustee-manager is PST Management Pte. Ltd., a wholly-owned subsidiary of Pacific International Lines (Private) Limited, one of the biggest container shipping companies in the world.

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Important Notice

The value of PST units ("Units") and the income derived from them may fall as well as rise. The 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. Investors have no right to request the trustee-manager to redeem their Units while the Units are listed. It is intended that unitholders of PST 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.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of PST is not necessarily indicative of the future performance of PST.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.