



For Immediate Release

PST's Q4 2006 distribution exceeds IPO projection

DPU of 1.04 cents offers tax-free annualised yield of 9.17%

SINGAPORE, January 23, 2007 – PST Management (PSTM), trustee-manager of Pacific Shipping Trust (PST), Singapore's first publicly-listed business trust, today announced Distribution Per Unit (DPU) for PST of 1.04 US cents for the fourth quarter ended Dec 31, 2006.

This is two percent higher than projected during its IPO in May last year. Based on the issue price of US\$0.45, the distribution amounts to a tax-free annualised yield of 9.17%, exceeding the projected yield of 9% in its prospectus.

The Q4 distribution of \$3.52 million was 2.3 percent more than the projected \$3.44 million. All income distributed to unitholders, individual or corporate, are tax-exempt.

The Q4 DPU will bring the full year income distribution to unitholders since its public listing to 2.48 cents, or 2.05% more than projected during the IPO.

PST reported net profit of \$3.4 million for Q4 2006. This is seven percent higher than the IPO projection of \$3.2 million and was achieved on gross revenue of US\$8.7 million from the charter of its vessels.

PST charters eight container vessels with average age of four years to Pacific International Lines (PIL) for between eight and 10 years. PIL is the world's 19th largest container shipping company and is the sponsor of the IPO.

In Q4 2006, interest income of US\$121,000, better cost management and fair value gains on interest rate swaps also helped to boost the bottom line. PST used interest rate swaps to fix the cost of its borrowings at 5.97% per annum.

While management fee of \$348,000 remained unchanged other trust expenses fell 33% from the IPO projection to \$121,000.

Subhangshu Dutt, CEO of PSTM, said: "We are pleased to again exceed the distribution rate projected during our IPO in May 2006. We remain committed to delivering on our projections for the current financial year 2007.

"We are also actively seeking appropriate acquisitions, not only to diversify our portfolio of charterers but our ship type as well. As shipping revenues come under pressure due to declining freight rates and new deliveries come onstream, we are optimistic that more operators may consider the sale and lease back model to lighten their balance sheets.

"We will also leverage on the benefits offered under the Maritime Finance Incentive scheme announced last year to seek business opportunities in the region and beyond."

Container capacity is expected to continue to grow by double-digit this year. Shipping brokers Clarksons estimates that the overall container capable capacity is expected to expand by 12% in 2007."

Clarksons believes that "containership orderbook remains extremely substantial." It grew in 2006 from 4.23 million TEU to 4.51 million TEU.

PSTM said that barring unforeseen circumstances, it is optimistic of distributing at least the IPO projected income for financial year 2007.

The latest distribution of 1.04 cents will be made on February 28, 2007.

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

-END-

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.

For further information, please contact:

Media

Catherine Ong Associates Pte Ltd
Eugene Tan
DID: +65 6327 6086
Mobile: +65 9857 9236
Email: eugene@catherineong.com

Investor Relations

PST Management Pte. Ltd.
Ricky Korompis
DID: +65 6429 3406
Mobile: +65 8163 3598
Email: ricky.korompis@pstmanagement.com

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.