



SGX-ST Announcement

PST TO ACQUIRE TWO NEW 1800 TEU CONTAINER VESSELS

1. INTRODUCTION

Further to its earlier announcements on 4 May 2007, 14 September 2007, and 12 November 2007, PST Management Pte. Ltd. ("**PSTM**"), the trustee-manager of Pacific Shipping Trust ("**PST**" or "**Trustee-Manager**"), Singapore's first publicly-listed business trust, is pleased to announce its entry into today, of two additional memoranda of agreement ("**MOAs**") with Tranpac Holdings Inc. ("**Tranpac**"), Panama, a wholly-owned subsidiary of Pacific International Lines (Private) Limited ("**PIL**"), the sponsor of PST, for the acquisition (the "**Acquisitions**") of two new 1,800 TEU container vessels (Hull No. CS1800-1 TBN KOTA NABIL and Hull No. CS1800-2 TBN KOTA NAGA (the "**New Vessels**"), at the price of USD 43 million each. The Acquisitions are pursuant to a right of first refusal agreement entered into between PSTM and PIL dated 25 April 2006. The New Vessels are currently being built by Dalian Shipbuilding Industry Co., Ltd ("**Dalian Shipbuilding**"). Simultaneously, PSTM has today also entered into bareboat charters with PIL for the New Vessels to PIL (the "**Charters**"). The charter hire per vessel has been agreed at the rate of USD 11,550 per day for eight years commencing from the date of completion of the Acquisitions.

DBS is the financial adviser, underwriter and bookrunner for the Initial Public Offering of PST.
--

The Acquisitions will, under the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), constitute interested person transactions exceeding, in the aggregate, 5% of the latest audited NTA of PST for the year ended 31 December 2006. Accordingly, the completion of the Acquisitions pursuant to the MOAs and the commencement of the Charters are conditional upon PST obtaining unitholders’ approval, pursuant to Chapter 9 of the Listing Manual, at an extraordinary general meeting that will be convened on a later date.

As the charter hire payable under the Charters, when aggregated with the purchase price payable to Tranpac for the Acquisitions will exceed 5% of the latest audited NTA of PST for the year ended 31 December 2006, the entry into the Charters and the charter hires payable by PIL to PST under the Charters will also constitute an interested person transaction under the Listing Manual and is conditional upon PST obtaining unitholders’ approval, pursuant to Chapter 9 of the Listing Manual, at an extraordinary general meeting that will be convened on a later date.

2. VALUATIONS OF THE NEW VESSELS

For purposes of the proposed Acquisitions, the Trustee-Manager has obtained an independent valuation, carried out by Howe Robinson Marine Evaluations Limited (“**Howe Robinson**”), which has valued each New Vessel at USD 43 million, as at 23 October 2007 on a charter-free basis.

3. PRINCIPAL TERMS OF THE MOAS

3.1 Purchase Price

The purchase price of each New Vessel is USD 43 million payable upon delivery of the vessel. No deposit shall be payable by PST to Tranpac.

3.2 Completion Date

Conditional upon, *inter alia*, unitholders' approval being obtained, the New Vessels are scheduled to be delivered by Dalian Shipbuilding to PST as follows:

Hull No. CS1800-1 TBN KOTA NABIL: End March 2008

Hull No. CS1800-2 TBN KOTA NAGA: End May 2008

It is provided in each of the MOAs that in the event unitholders' approval is not obtained by the Trustee-Manager for the Acquisitions and the Charters within 4 months from the date of the MOA, or such other date as may be mutually agreed by the parties, the relevant MOA shall become null and void and neither party thereto shall have any claims whatsoever against the other.

4. PRINCIPAL TERMS OF THE CHARTERS

4.1 The Charter Hire

The Charter Hire will be fixed at USD 11,550 per day for each of the New Vessels.

4.2 The Charter Period

The Charter Period will be 8 years for each of the New Vessels commencing on the respective dates of completion of the Acquisitions and the delivery of the New Vessels.

It is further provided under each Charter that in the event unitholders' approval is not obtained by the Trustee-Manager of PST, for the Acquisitions and the Charters within 4 months, or such other date as may be mutually agreed between the parties, the relevant Charter shall become null and void in relation to that vessel and neither parties shall have any claims whatsoever against the other.

5. RATIONALE FOR AND BENEFITS OF THE ACQUISITION AND THE CHARTERS

(A) The Acquisitions

The Trustee-Manager believes the Acquisitions offer various key benefits to PST and its unitholders including the following:

5.1 Yield Accretion

The New Vessels are expected to be accretive to PST's distributable cash flow once they are delivered and in operation.

5.2 Growth Strategy/Greater Economies of Scale

Subject to unitholders' approval, when the Acquisition is completed and the New Vessels delivered upon completion of the Acquisitions and the Charters commence (the "**Transaction**"), the Transaction is expected to increase PST's current aggregate contracted revenue by 15.7 % to approximately USD 61.9 Million per annum. The Acquisitions will also increase PST's current contracted fleet from 10 to 12 vessels (assuming that unitholders' approval at an extraordinary general meeting, to be convened at a later date, is obtained in relation to the Acquisitions and the proposed acquisition of the two container vessels, Hull No: C4250-24 TBN PST VALOUR and Hull

No: C4250-25 TBN PST VICTORY as previously announced on 14 September 2007, 4 May 2007 and 12 November 2007).

5.3 Acquisitions Fit the Trustee-Manager's Investment Strategy

The Trustee-Manager believes that the Acquisitions are in line with the Trustee-Manager's principal investment strategy to invest in quality income-producing vessels which will provide overall yield accretion and value creation opportunities so as to deliver stable distributions and sustainable total returns to the unitholders.

5.4 Competitive Strengths of the New Vessels

The competitive strengths of the New Vessels are as follows:

(i) The New Vessels are constructed by a reputable shipyard

The New Vessels were engineered and are being constructed by Dalian Shipbuilding, a reputable shipyard in China. The Trustee-Manager believes that investing in quality vessels constructed in reputable shipyards will enhance their durability and support their value in the secondary market for container vessels.

(ii) The New Vessels are newly constructed

As the New Vessels will be newly constructed, this will result in lower maintenance and repair costs which would be relatively higher on an older vessel.

(B) The Charters

The Trustee-Manager believes that the entry into the Charters with PIL offers various key benefits to PST and its unitholders including the following:

5.5 Stable Charter income

The New Vessels, when delivered, will be chartered to PIL at USD 11,550 per day for eight years which the Trustee-Manager believes will further secure a stable stream of 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) and is rated BBB- by Standard & Poor's and the Trustee-Manager believes that having a credit-worthy charterer like PIL will ensure a stable income stream for PST.

*** Source: AXS Marine as of 12 Nov 07: AXS-Alphaliner Top 100**

5.6 The long-term Charters

As the New 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. METHOD OF FINANCING

The Trustee-Manager currently intends to fund the 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 Acquisitions, the Trustee-Manager will take into account amongst others prevailing market conditions and the relative costs of financing with a view to arriving at an efficient capital structure for PST.

There will be no Acquisition Fee payable to the Trustee-Manager in connection with the Acquisitions.

7. INTERESTED PERSON TRANSACTIONS

7.1 Disclosure Requirements under the Listing Manual

PIL holds an aggregate interest (direct and deemed) in 116,469,000 units in PST (equivalent to approximately 34.56% of the total units in issue in PST) and is the holding company of PSTM. PIL is therefore a controlling unitholder of PST and is considered, for the purpose of the MOAs and the Charters, an “interested person” of PST under the Listing Manual. As Tranpac is a wholly-owned subsidiary of PIL, Tranpac is also considered, for the purpose of the Acquisitions, an “interested person” of PST under the Listing Manual. Accordingly, as mentioned above, the Acquisitions from Tranpac and the Charters by PIL will constitute interested person transactions under Chapter 9 of the Listing Manual. As Tranpac and PIL are regarded as “same interested person” and all transactions between them and PST are aggregated for purposes of Chapter 9 of the Listing Manual, given that the aggregate value of the transactions exceeds 5% of the latest audited NTA of PST as at 31 December 2006, the Acquisitions and the Charters will require prior unitholders’ approval.

7.2 Audit Committee

The Audit Committee of PSTM has obtained an opinion from an independent financial adviser (“**IFA**”), PricewaterhouseCoopers Corporate Finance Pte Ltd, as required under the Listing Manual, and is of the view that the terms of the proposed Acquisitions and Charters are on normal commercial terms, and will not be prejudicial to the interests of PST and its minority unitholders.

7.3 Total of all Interested Person Transactions

The following table sets out the current total for the current financial year of all transactions between PST and PIL and its subsidiaries and the current total of all interested person transactions in relation to PST for the same financial year:

	Interested Person	Aggregate value of transactions with Interested Person for current financial year
1	PIL and its subsidiaries	(a) USD 86,000,000 (Purchase Price, please refer to para 3.1 of this announcement.) (b) USD 67,452,000 (Charter Hire, please refer to para 4.1 of this announcement.) (c) USD 136,199,600 (Please refer to the 14 September 2007 announcement made by the Trustee-Manager) (d) USD 180,000 (Please refer to the 14 September 2007 announcement made by the Trustee-Manager) (e) USD 11,912.22 (Miscellaneous)
Sub-Total		USD 289,843,512.22
2	Name of other interested person, if applicable	Nil
Total for all interested person transactions for current financial year		USD 289,843,512.22

27 November 2007

About Pacific Shipping Trust

Pacific Shipping Trust is the first business trust listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It was established with the principal objective of providing the public with an opportunity to invest primarily in container vessels which are intended to be chartered to liner operators for their liner trade and/or feeder trade. 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

Catherine Ong/Wong Soo How

DID: +65 6327 6088/+65 6327 6084

Mobile: +65 9697 0007/+65 9836 8065

Email: cath@catherineong.com/soohow@catherineong.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, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager’s view of future events.