



For Immediate Release

**PACIFIC SHIPPING TRUST'S US\$136 MILLION ACQUISITION
TO RAISE REVENUE BY 54% IN 2009**

- *Acquisition to diversify revenue base and is expected to be yield accretive*

SINGAPORE, 14 September 2007 – Pacific Shipping Trust (PST)'s US\$136.2 million (S\$207 million) proposed acquisition of two new vessels will significantly raise its revenue and total fleet capacity in 2009.

In an announcement to the Stock Exchange today, PST, Singapore's first publicly-listed business trust, gave more details on the proposed acquisition which was first announced on May 4, 2007.

It said the 4,250 TEU vessels to be acquired from Pacific International Lines (Private) Limited (PIL) and chartered to the Chilean Operator, Compania SudAmericana de Vapores SA (CSAV), the largest liner shipping company in South America, will increase revenue by 54% to about US\$53 million per annum and is expected to be yield accretive once they are delivered and in operation.

PST's fleet capacity will also grow by 61% to 22,364 TEU from 13,864 TEU previously.

The two vessels to be acquired at approximately US\$68.1 million each are being constructed at Dalian Shipbuilding Industry Co., Ltd, one of China's

DBS is the financial adviser, underwriter and bookrunner for the initial public offering of PST.
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most reputable shipyards. They are scheduled for delivery in November and December 2008 respectively. This is PST's first acquisition since it went public in May 2006.

The acquisition will diversify PST's revenue base. After the acquisition, the total number of vessels under PST's portfolio will increase from 8 to 10 and trust expenses per vessel could potentially be lower due to greater economies of scale.

The new vessels will be chartered to CSAV for US\$26,000 per day for the first two years and US\$25,500 per day for the remaining three years.

CSAV is based in Valparaiso, Chile. As on 12th September 2007, the company operates about 84 ships with a slot capacity in the region of 244,000 TEUs. Listed on the Chilean Stock Exchange, CSAV is ranked 16th in the world among container liner operators.

Subhangshu Dutt, CEO of PSTM, said: "We are pleased that our first acquisition is covered by a charterer of such high standing as CSAV.

This acquisition is in line with our principal strategy of investing in quality income-producing vessels which will provide a regular and sustainable stream of income to our unitholders as well as enhance the yields on their investments."

Mr. Dutt also added that the acquisition could mark the start of a longer-term relationship with CSAV, leading to more value creation opportunities in the future.

In connection with the acquisition, PST has entered into a ship management agreement with PIL for the provision of ship management services for one year with an agreed ship management fee of US\$ 90,000 per vessel per annum.

As the acquisition from PIL and the provision of ship management services by PIL for a fee would constitute interested person transactions under the Listing Manual as their aggregate value exceeds 5% of the latest audited NTA of PST for the year ended 31 December 2006, the acquisition from and provision of ship management services by PIL is conditional upon approval of PST's unitholders during the extraordinary general meeting to be convened on a later date.

The trustee-manager is PST Management Pte. Ltd., a wholly-owned subsidiary of PIL, which owns about 34% of PST.

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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