



For Immediate Release

PST TO ACQUIRE TWO NEW SHIPS FOR US\$86 MILLION

- *Ships to be bareboat chartered to PIL for 8 years*
- *Charters to raise annual revenue by 15.7% to US\$61.9 million*

SINGAPORE, 27 November 2007 – Pacific Shipping Trust (PST), Singapore's first publicly-listed business trust, said it has agreed to buy two new 1800 TEU ships from its sponsor, Pacific International Lines (PIL), for US\$86 million.

The vessels costing US\$43 million each, will be bareboat chartered back to PIL for eight years at a rate of US\$11,550 per day, per vessel. They are expected to raise PST's total contracted revenue by 15.7% to about US\$61.9 million.

The memoranda of agreements (MOA) for the purchase of the vessels were signed today between PST and Tranpac Holdings Inc. Panama, a wholly-owned subsidiary of PIL. At the same time, the charter agreements were also signed with PIL.

The vessels will be acquired under a Right of First Refusal agreement signed between PIL & PST at the time of the IPO. The agreement gives PST Management (PSTM), the Trustee Manager of PST, the right to tap into the pipeline of new vessels being built by PIL, the 19th largest container ship operator in the world.

DBS is the financial adviser, underwriter and bookrunner for the Initial Public Offering of PST.
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Both the acquisition and the charter agreements are subject to unitholders' approval as they constitute interested party transactions under the SGX listing rules. PIL owns about 34.6% of PST and the acquisition value will exceed 5% of the latest audited net tangible assets of PST as of 31 Dec 2006.

The vessels are being constructed at Dalian Shipbuilding Industry Co., Ltd, one of China's most reputable shipyards and are due for delivery at the end of March and May 2008.

Commenting on the proposed transaction, Subhangshu Dutt, CEO of PSTM, said: "The proposed acquisitions demonstrate our commitment to delivering on the growth strategy promised during our IPO last year.

"Furthermore, as the first of the vessels will be delivered as early as March 2008, our unitholders will realise the yield accretion from this vessel sooner. Together with the earlier announced acquisitions of two vessels to be chartered to CSAV, we would almost double our total asset value and significantly increase total contracted slot capacity by about 87%."

"The latest eight-year charters underscore PST's mission of providing stable, high-yielding and long-term income to our unitholders."

Ivy Lim, CFO of PSTM, added: "Together with the earlier proposed acquisitions of vessels to be chartered to CSAV, we would have increased total contracted revenue per annum by about 79% since our IPO last year."

"More importantly, the acquisition and charters are expected to be yield accretive to unitholders upon delivery of the vessels and commencement of the charters."

The acquisitions, if approved, will also increase PST's current contracted fleet from 10 to 12 vessels (including the earlier proposed acquisitions of vessels to be chartered to CSAV).

PSTM said the acquisitions are in line with its strategy of investing in quality vessels, which will enhance yield and distributable income to unitholders.

Outlining the vessels' competitive strengths, PSTM added that being built at a reputable shipyard in China gives an assurance of their durability, which in turns is likely to support their value in the secondary market for container vessels.

PSTM said it currently intends to fund the acquisitions with bank borrowings. However, it will evaluate other appropriate forms of financing depending on market conditions, with a view to arriving at an efficient capital structure for PST.

There will be no acquisition fee payable to PSTM.

PSTM has commissioned Howe Robinson Marine Evaluations Limited to carry out an independent valuation, and it has valued each of the vessels at US\$43 million, as at 23 October 2007 on a charter-free basis.

The Audit Committee of PSTM has obtained an opinion from an independent financial adviser, 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 of the two vessels are on normal commercial terms, and will not be prejudicial to the interests of PST and its minority unitholders.

An extraordinary general meeting will be convened at a later date for unitholder approval.

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About Pacific Shipping Trust

Pacific Shipping Trust is the first business trust listed on Singapore Exchange Securities Trading Limited. 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.

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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.