



# Pacific Shipping Trust

Proposed Equity Fund Raising  
August 2008

STRICTLY CONFIDENTIAL



# 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 charter income, changes in operating expenses (including employee wages, benefits and training costs) 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.

# Key Terms of Proposed Fund Raising

<b>Structure</b>	<ul style="list-style-type: none"> <li>Non-Renounceable Preferential Offering</li> </ul>
<b>Offering Size</b>	<ul style="list-style-type: none"> <li>Approximately 252,750,000 Preferential Offering Units (“New Units”)<sup>1</sup></li> <li>3 New Units for every 4 existing Units as at Books Closure Date, to be announced</li> </ul>
<b>Gross Proceeds</b>	<ul style="list-style-type: none"> <li>Approximately US\$92.3 million</li> </ul>
<b>Preferential Offering Price</b>	<ul style="list-style-type: none"> <li>US\$0.365 per New Unit</li> <li>Approximately 5.2% discount to Volume Weighted Average Price<sup>2</sup></li> </ul>
<b>Proforma DPU yield<sup>3</sup></b>	<ul style="list-style-type: none"> <li>Approximately 12%</li> </ul>
<b>Sponsor Undertaking and Commitment</b>	<ul style="list-style-type: none"> <li>Pacific International Lines (“PIL”) undertaking to subscribe and pay for its entitlement, based on current direct interest of 34.64%</li> <li>Balance of unsubscribed New Units<sup>4</sup> under the Preferential Offering to be fully subscribed by PIL (subject to the Preferential Offering and Whitewash Resolution for the Preferential Offering, being approved)</li> </ul>
<b>Sole Financial Advisor and Issue Manager</b>	<ul style="list-style-type: none"> <li>UBS AG, acting through its business group, UBS Investment Bank</li> </ul>
<b>Expected Close</b>	<ul style="list-style-type: none"> <li>End September 2008</li> </ul>

Capitalised terms used herein but not otherwise defined shall have the meanings provided in the circular dated 12 August 2008 relating to the proposed Preferential Offering (the “Circular”)

## Notes:

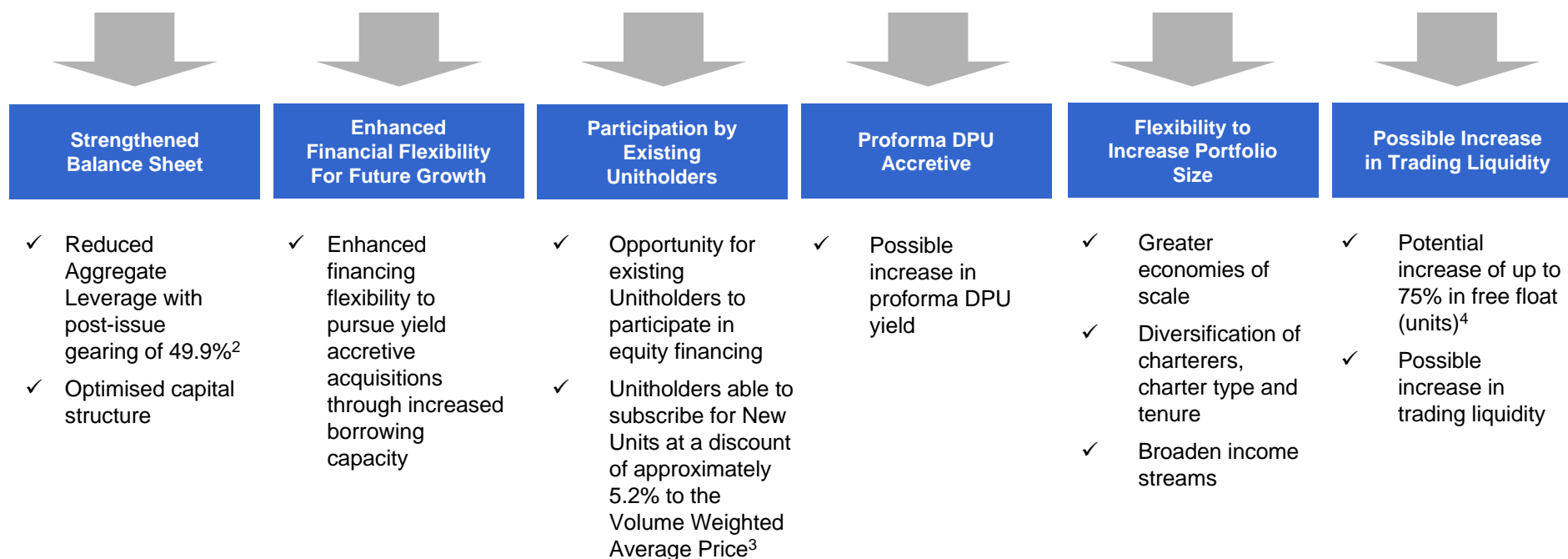
- 1 If the Whitewash Resolution for the Preferential Offering is not approved at the EGM and the issue of the Consideration Units and the Whitewash Resolution for the issue of the Consideration Units and the PIL Preferential Offering Entitlement are approved, approximately 252,750,000 New Units will be issued, which may comprise up to approximately 165.2m Consideration Units
- 2 Based on VWAP of trades in PST Units done on the SGX-ST for the full market day prior to the announcement of the Preferential Offering on 11 August 2008
- 3 Based on issue price of US\$0.365 per New Unit and unaudited proforma DPU for the financial year ended 31 December 2007 assuming acquisition of the New Vessels and the Preferential Offering or the Combined Issuance took place on 1 January 2007
- 4 Excluding any New Units provisionally allocated due to the Rounding Mechanism under the Preferential Offering, and provided that the aggregate number of PIL’s provisional allocation of New Units pursuant to the PIL Preferential Offering Entitlement and such unsubscribed New Units shall not exceed 252,750,000

# Key Rationale for Preferential Offering

## Equity raising of approximately US\$92.3m of gross proceeds

Use of net proceeds<sup>1</sup>:

- To finance / refinance part of the purchase consideration of four new vessels, and/or
- For general corporate and/or working capital purposes



Notes:

- 1 Based on net proceeds of approximately US\$90.3m raised after taking into account estimated costs of the Preferential Offering of approximately US\$2.0m
- 2 Proforma leverage as at 31 December 2007 assuming New Vessels are part financed by the Preferential Offering or the Combined Issuance and the Preferential Offering and the acquisitions or the Combined Issuance and the acquisitions were completed on 1 January 2007
- 3 Based on VWAP of trades in PST Units done on the SGX-ST for the full market day prior to the announcement of the Preferential Offering on 11 August 2008
- 4 Assuming 252,750,000 New Units and full subscription of the Preferential Offering by minority Unitholders

# Agenda of Extraordinary General Meeting

EGM Resolutions	Approval thresholds
<p><b>1</b> Ordinary Resolution: Proposed Non-Renounceable Preferential Offering</p> <ul style="list-style-type: none"> <li>▪ Raise gross proceeds of approximately US\$92.3m</li> <li>▪ Avoids dilution of existing Unitholders' interest</li> </ul> <p><b>2</b> Ordinary Resolution: Proposed Whitewash Resolution</p> <ul style="list-style-type: none"> <li>▪ Unitholders' approval allows PIL to accept its provisional allocation of New Units in respect of its 34.64% direct interest in PST and subscribe for unsubscribed New Units<sup>1</sup> pursuant to the PIL Undertaking without triggering a mandatory offer<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;50%</li> <li>▪ PIL will abstain from voting</li> </ul>
<p>In the event that Resolution (2) is not approved:</p>	
<p><b>3</b> Ordinary Resolution: Proposed Issue of Consideration Units</p> <ul style="list-style-type: none"> <li>▪ Issue of Consideration Units equivalent to the difference between the target gross proceeds of approximately US\$92.3 million and the actual gross proceeds raised in the Preferential Offering to Tranpac<sup>4</sup> to partially satisfy the purchase consideration for two of the New Vessels</li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;50%</li> <li>▪ PIL not allowed to vote<sup>5</sup></li> </ul>
<p><b>4</b> Ordinary Resolution: Proposed Whitewash Resolution</p> <ul style="list-style-type: none"> <li>▪ Unitholders' approval allows PST to issue Consideration Units to Tranpac as part satisfaction of the purchase consideration for two of the New Vessels and PIL to accept its provisional allocation of New Units under the Preferential Offering without triggering a mandatory offer<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ &gt;50% (poll)</li> <li>▪ PIL not allowed to vote<sup>3</sup></li> </ul>

Notes:

1 Excluding any New Units provisionally allocated due to the Rounding Mechanism under the Preferential Offering, and provided that the aggregate number of PIL's provisional allocation of New Units pursuant to the PIL Preferential Offering Entitlement and such unsubscribed New Units shall not exceed 252,750,000

2 Securities Industry Council of Singapore (SIC) approval received on 4 Aug 2008

3 Including its concert parties

4 PIL's wholly owned subsidiary

5 Including its associates

# Key Dates

Event	Date <sup>1</sup>
Last Date and Time for Lodgement of Proxy Forms	25 August 2008 at 2:30 pm
Date and Time of EGM	27 August 2008 at 2:30 pm

Subject to Unitholders' approval and PST's determination of the Books Closure Date:

Expected last day to purchase Units with Preferential Offering entitlement	TBC, but expected to be no later than early September 2008
Commencement of Preferential Offering	TBC, but expected to be no later than mid September 2008
Close of Preferential Offering	TBC, but expected to be no later than end September 2008
Listing of Preferential Offering Units	TBC, but expected to be no later than early October 2008

Note:

<sup>1</sup> Dates and times based on Singapore local time