



**For Immediate Release**

**PST Q2 DPU INCREASED BY 12% BOOSTED BY NEW VESSELS DELIVERY AND ACCRETIVE CHARTERS**

- Contributions from two new vessels, Kota Nabil and Kota Naga raise Q2 DPU by 12% quarter-on-quarter
- Latest DPU offers tax-free annualised yield of 11.4% based on closing price of US\$0.385
- Delivery of two more vessels in 2H 2008 will provide platform for further revenue growth in 2009
- Prudent financial management and counterparty risk policy will act to enable stable and consistent DPU

**SINGAPORE, 22 July, 2008** – The Board of Directors of PST Management Pte. Ltd. (as Trustee-Manager of Pacific Shipping Trust (PST), Singapore's first publicly-listed business trust), today announced that it will distribute a total of US\$3.67 million (USD 1.09 cents per unit) to unitholders for its second quarter (Q2 08) ended 30 June.

This is 12% higher than the previous quarter. The Distribution Per Unit (DPU) for Q2 08 amounted to USD 1.09 cents, which, based on the closing price of US\$0.385 on 22 July, offers unitholders an annualised yield of 11.4%.

The increase in the distributable amount is the result of a full quarter contribution from Kota Nabil, and maiden contribution from Kota Naga which was delivered at the end of May.

Turnover in Q2 was up 17% year-on-year to US\$10.04 million on the back of additional revenue from the two vessels. Both vessels are chartered to Pacific International Lines (Private) Limited.

Commenting on the Q2 results, Alvin Cheng, CEO of PST Management, trustee manager of PST, said: "We are pleased to be able to raise our payout to unitholders in the second quarter. The higher distribution affirms our strategy of growing our income base through yield-accretive acquisitions, prudent cost management and a conservative capital management policy that preserves the net asset values of our vessels."

"During Q2, we saw a maiden contribution from Kota Naga and a full quarter income from Kota Nabil. With the deliveries of the two 4,250 TEU vessels, CSAV Laja and CSAV Lauca in the second half of 2008, we expect a further boost to our revenue in 2009."

Last year, PST announced the acquisition of four vessels, comprising two 1800 TEU and two 4250 TEU containerships. The bigger ships will be time chartered to CSAV, the largest liner shipping company in South America, when they are delivered in September and November 2008. The four new ships will expand PST's current portfolio by 50% to 12 vessels and annualised contracted revenue by 80%.

Depreciation for Q2 08, at US\$2.86 million, was 11 percent lower year-on-year as a result of the change in the estimated useful life of the vessels from 25 to 30 years. Other expenses, comprising professional fees, regulatory fees, vessel tonnage tax, advertising and other administrative expenses rose 8% to US\$133,000, primarily due to expenses incurred in relation to the acquisition and charter of the four new vessels.

The latest distribution of USD 1.09 cents will be made on 28 August 2008.

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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 on medium / long term time or bareboat 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.