



For Immediate Release

PACIFIC SHIPPING TRUST DELIVERS STRONG Q3 PERFORMANCE

- Gross revenue at US\$11.2 million; 29% increase over corresponding period
- Distribution Per Unit (“DPU”) for the period at 1.09 US cents
- Capital commitments fully financed and no medium-term refinancing requirements
- Reduced gearing to approximately 47% resulting from Preferential Offering
- Limited exposure to vessel operating costs

	3 months ended 30 September			9 months ended 30 September		
	2008 (US\$'000)	2007 (US\$'000)	Increase / (Decrease) %	2008 (US\$'000)	2007 (US\$'000)	Increase / (Decrease) %
Gross Revenue	11,217	8,703	29	30,108	25,826	17
Net profit after tax	3,181	589	NM	11,988	8,812	36
Income to be distributed	3,706	3,673	1	10,649	10,799	(1)
DPU (cents)	1.0953	1.09	-	3.1553	3.19	(1)

SINGAPORE, 22 October 2008 – PST Management Pte. Ltd., as Trustee-Manager of Pacific Shipping Trust (“PST”), Singapore’s first publicly-listed business trust, is pleased to announce its third quarter results for the period 1 July to 30 September 2008 (“Q3”), for the financial year ending 31 December 2008 (“FY2008”).

Gross revenue for Q3 FY2008 was at US\$11.2 million. This is a 29% increase over gross revenue of US\$8.7 million in the corresponding period in FY2007. PST saw higher gross revenue as a result of the full quarter's contribution from its new vessel Kota Naga which was delivered and commenced charter on 28 May 2008 and 14 days of time charter income from its latest vessel, CSAV Laja, which commenced charter on 16 September 2008.

Net profit after tax increased from US\$0.6 million in Q3 FY2007 to US\$3.2 million in Q3 FY2008 mainly due to increase in revenue and reduction in the fair value losses on interest rate swaps.

Management and Trustee fees increased accordingly with the delivery of the new vessels. Other expenses incurred include professional fees, regulatory fees, vessel tonnage tax, fleet management fees and other operating expenses related to the time chartered vessel, CSAV Laja.

Since first quarter FY2008, PST retained 10% of its income available for distribution for working capital purposes. As such, income for distribution was US\$3.7 million for Q3 FY2008. Hence, DPU for Q3 FY2008 is 1.0953 US cents, unchanged from Q3 FY2007. DPU for the nine months ended 30 September 2008 totalled 3.1553 US cents.

Mr Alvin Cheng, CEO of PST Management said, "PST has enjoyed a strong Q3 performance despite the current volatile market conditions. We will endeavour to pursue sustainable returns for Unitholders by maintaining a prudent risk management and yield accretive growth strategy."

Capital commitments fully covered / Resilient financial position

PST's resilient financial structure should allow it to weather the current financial turmoil. Financing for PST's entire vessel portfolio, including its 12th vessel, CSAV Lauca, which is expected to be delivered in early November 2008, is in place. The average loan tenure for the fleet (as at end of Q3 FY2008) is 8.5 years. Moving forward, there are no refinancing requirements in the medium-term.

The Preferential Offering, which was recently completed, has improved PST's strong financial position. With the additional capital raised, PST was able to repay its short-term bridging loans as well as reduce its gearing to 47%.

In addition, Mr Cheng added that, “Whilst asset values have undergone a correction in recent months, it is not expected to trigger any of the loan covenants in the financing agreements. At the same time, our loans are amortised on a monthly basis and, currently, we do not have any additional capital commitments.”

Outlook for 2008

“PST is confident that its long-term charters, (average charter period of seven years) will continue to provide a stable income stream to the trust. At the same time, the majority of our charters are based on bareboat charters and, accordingly, as the operating cost element of the time charters is less than 5% of our total revenue, exposure to operating risks is minimal.” said Mr Cheng.

PST has a total of 11 vessels to date, and with the delivery of, CSAV Lauca in November; PST’s total slot capacity of its portfolio will reach 25,964 TEU, with a total asset investment of approximately US\$493 million. With the delivery of CSAV Lauca, annual revenue for PST will increase by 10%.

In terms of asset types, PST will continue to invest in container vessels, but will also identify opportunities into other strategic sectors.

However, in the short-term, Mr Cheng cautioned, “As anticipated, the containership market is undergoing a period of adjustment. The inflated asset prices and record high freight rates have proved unsustainable. As a result, we are starting to see a fall in freight rates and vessel prices in recent months. Nevertheless, the performance of the PST fleet is not expected to be affected due to the long-term charters that we have entered into.”

“While maintaining our prudent capital and risk management strategy, we will continue to be on the look-out for yield-accretive growth opportunities.” added Mr Cheng.

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About Pacific Shipping Trust

Pacific Shipping Trust is the first business trust listed on the SGX-ST. 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 of PST 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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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.