

Pacific Assets Trust plc

Change of management arrangements

4 May 2010

Following disappointing investment performance in recent years, the Board of Pacific Assets Trust plc (the "Company") has conducted a thorough review of its management arrangements. As a result, it has been decided to separate the investment management function from the administration of the Company.

The Asia Pacific/Global Emerging Markets Team at First State Investments ("FSI") will be appointed as the Company's new investment manager and Frostrow LLP ("Frostrow") will provide administrative and marketing services.

The Board believes this new arrangement has considerable long term advantages. In particular, the investment manager or any other aspect of the company's management can be changed with less disruption, to ensure the best available service is provided for all parts of the Company's business.

The investment objective of the Company is unchanged and the new investment manager will continue to pursue long term capital growth through investment in selected companies in the Asia Pacific region and the Indian sub-continent, but excluding Japan and Australasia.

FSI have been employed for an initial three year term with six months' notice thereafter. An annual management fee of 0.75% per annum of net assets is to be paid and there is an additional performance component at the rate of 12.5% of returns in excess of the MSCI All Country Asia Ex Japan Index plus 1.75% per annum, measured over a rolling three year period. The Board has capped total annual investment management fees at 1.75% of net assets. FSI has agreed to waive three months' fees in order to assist with the costs of management transition.

Frostrow Capital LLP will provide company secretarial, accounting, administration and marketing services. Frostrow is an independent provider of services to the investment companies sector and currently has five other investment company clients. A fee of 0.2% of market capitalisation will be payable for this service. Frostrow has agreed to waive three months' fees and to absorb certain other costs in order to assist with the management transition.

The Board believes it is important to protect shareholders' interests by ensuring that existing holders of Pacific Assets' shares through F&C savings plans will be able to maintain their interests in the Company. In due course, details will be available on the Company's website of a new savings plan which will enable individuals to invest in Pacific Assets Trust plc in a cost effective manner.

The new management arrangements will start on 1st July 2010.

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