



FSL Trust Management Pte. Ltd.
as Trustee Manager for First Ship Lease Trust
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18 October 2007

For Immediate Release

FIRST SHIP LEASE TRUST TO DISTRIBUTE US\$11.15 MILLION TO UNITHOLDERS FOR 3Q FY07

- ***Distribution – US2.23¢ per unit (4.7% higher than IPO projection)***
- ***Revenue – US\$12.8 million (10.7% higher than IPO projection)***

Singapore, 18 October 2007 – FSL Trust Management Pte. Ltd. (“FSLTM”), trustee-manager of First Ship Lease Trust (“FSL Trust”), today announced a total distribution of US\$11.15 million to unitholders of FSL Trust for the third quarter ended 30 September 2007 (“3Q FY07”). This represents 100% of the amount available for distribution.

Based on 500 million outstanding units, the Distribution Per Unit (“DPU”) is US2.23¢, 4.7% higher than the DPU of US2.13¢ projected at the time of FSL Trust’s Initial Public Offering (“IPO”) in March 2007.

Summary of Results

	3Q FY07		
	Actual	Projection	Change (%)
Revenue (US\$'000)	12,819	11,585	10.7
Net profit after tax (US\$'000)	2,114	2,196	(3.7)
Net Distributable Amount (US\$'000)	11,150	10,666	4.5
Amount to be distributed (US\$'000)	11,150	10,650	4.7
Distribution Per Unit (“DPU”) (US Cents) - Note (a)			
For the quarter	2.23¢	2.13¢	4.7
Annualised	8.92¢	8.52¢	4.7

Note:

- (a) FSL Trust's distribution policy for the period from listing date to 31 December 2007 is to apply 100% of the Net Distributable Amount to Unit holders.



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FSL Trust also reported revenue of US\$12.82 million for the quarter, 10.7% higher than projection. The rise in revenue was due primarily to the purchase and concurrent leaseback of three product tankers from James Fisher Everard Limited on 1 June 2007.

Commenting on the financial performance in the quarter under review, Mr Philip Clausius, Chief Executive Officer of FSLTM, said: "We are pleased with our third quarter achievements. Our demonstrated ability to grow FSL Trust through accretive acquisitions has enabled the Trust to announce distributions to our unitholders that exceed our projection. Indeed, this attests to the successful execution of our distribution growth strategy which we intend to continue, in order to enhance value to our unitholders. This will be underpinned by our active participation in the global ship finance market."

FSL Trust had a portfolio of 16 vessels as at 30 September 2007 comprising four containerships, seven product tankers, three chemical tankers and two dry bulk carriers.

Distribution

For 3Q FY07, unitholders will receive US2.23¢ for each unit they own. This translates into an annualised DPU of US8.92¢, representing an increase of 4.7% against projection. Based on FSL Trust's closing unit price of US\$0.86 on 17 October 2007, this translates into a distribution yield of 10.4%.

The increase in the DPU was mainly made possible by the incremental cash flow resulting from the purchase and lease of the three product tankers from James Fisher Everard Limited on 1 June 2007.



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The Books Closure Date is 26 October 2007, and payment to unitholders of the distribution of US2.23¢ per unit¹ will be made on 23 November 2007.

Subordination and Fees Paid to FSLTM

The period under review falls under the Subordination Period (listing date of 27 March 2007 to 30 June 2009). During this Subordination Period, the Sponsor² has agreed to subordinate its entitlement to the distribution in respect of 50% of its Units, and the Trustee-Manager has agreed to subordinate its management fees should the forecasted DPU not be achieved in any quarter.

The DPU payable for 3Q FY07 is US2.23¢. This exceeds the forecasted quarterly DPU of US2.13¢; hence, the Sponsor and the Trustee-Manager do not have to surrender any of their distributions and management fees, respectively.

The Trustee-Manager will not be entitled to any incentive fees as such fees are only payable if the actual Net Distributable Amount per unit exceeds US2.45¢ (i.e. 15% above the forecasted DPU of US2.13¢).

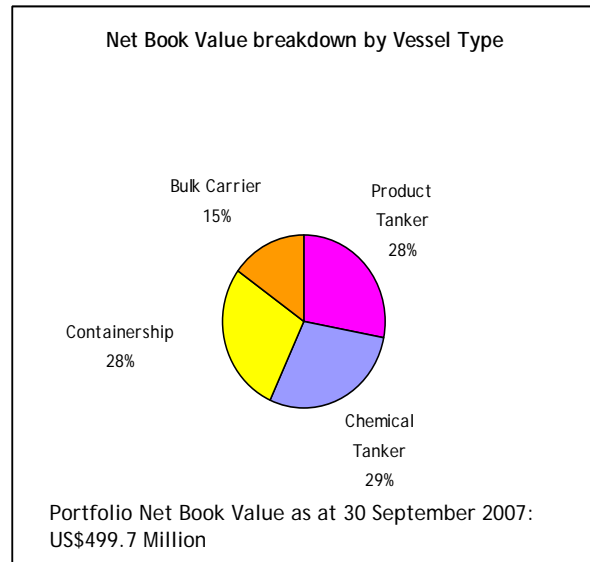
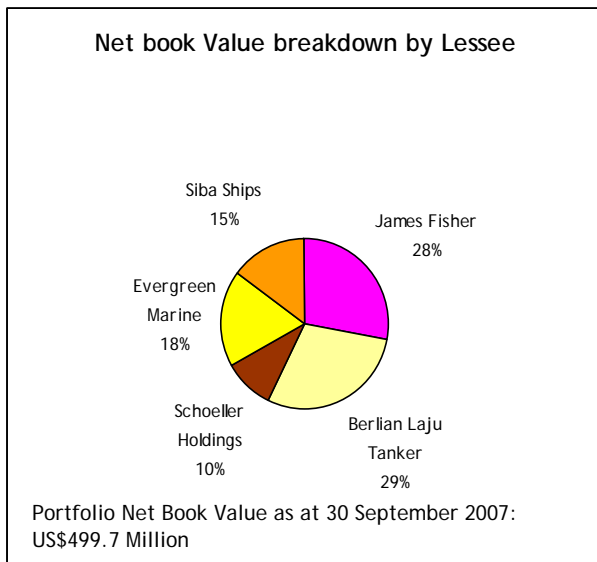
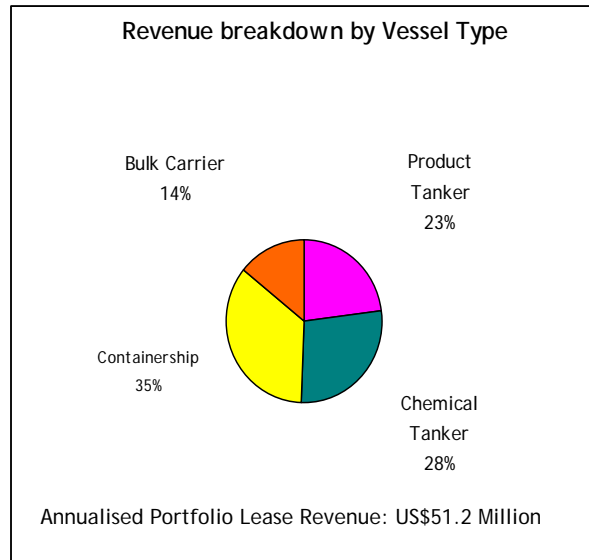
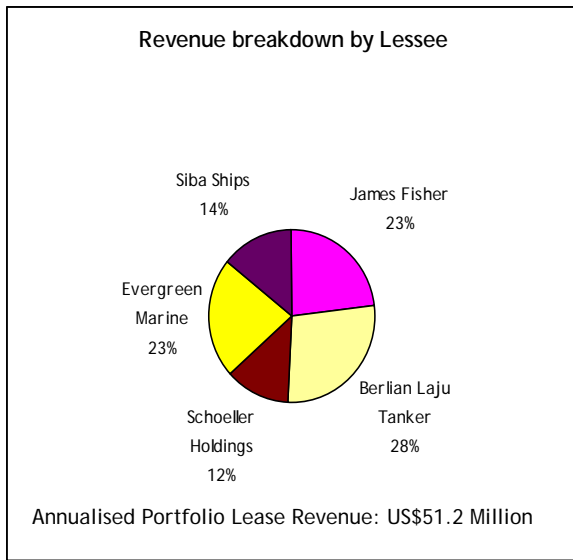
¹ Unitholders whose units are held directly through The Central Depository (Pte) Limited (“CDP”) will receive their distribution in the Singapore dollar equivalent of the US2.23¢ declared. Unitholders who wish to receive the distribution in US dollars can do so by submitting a “Distribution Election Notice” to CDP by 12 November 2007.

² The Sponsor is First Ship Lease Pte. Ltd. As at 30 September 2007, the Sponsor owns 30.1% of the units in FSL Trust.



Lease Portfolio

FSL Trust's lease portfolio as at 30 September 2007 is as follows:





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Review, Outlook and Prospects

The fundamentals of the global shipping industry remain favorable as evidenced by the current strong freight rates which have in turn boosted the value of shipping assets. In addition, shipping companies are increasingly pursuing asset-light strategies by leasing vessels rather than buying vessels in order to reduce their capital expenditure.

Mr Clausius said: “Unlike players in the shipping industry which face cyclical business conditions, FSL Trust, as a ship financier, enjoys stable, regular and predictable revenues from the long-term leases of at least seven years it signs with its lessees. These include well recognised names in the global shipping industry. This stable revenue stream enables FSL Trust to pay out regular and predictable distributions to unitholders every quarter, much like a maritime annuity.”

“Looking ahead, we have a strong acquisition pipeline. Based on general deal-flow and the substantial size of the global ship financing industry, we are optimistic of meeting our acquisition target of US\$200 million of assets within 12 months from our listing date. The US\$250 million debt facility that we have put in place at the time of our listing remains over 80% undrawn and available for future acquisitions.”

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About First Ship Lease Trust

First Ship Lease Trust (Reuters: FSLT.SI; Bloomberg: FSLT SP) is a provider of leasing services on a bareboat charter basis to the international shipping industry. It now has a modern, high quality and diverse portfolio of 16 vessels consisting of four containerships, seven product tankers, three chemical tankers and two dry bulk carriers. These vessels have an average age of approximately four years, and an average remaining lease period of approximately nine years (excluding extension periods and early buy-out options).

Managed by FSL Trust Management Pte. Ltd., FSL Trust seeks to become the leading provider of leasing services on a bareboat charter basis to the international shipping industry. To achieve this, FSL Trust Management Pte. Ltd. will focus on rapidly growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters.

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The initial public offering of units of First Ship Lease Trust (the "Offering") commenced on 19 March 2007 and closed on 22 March 2007. In the Offering, Deutsche Bank AG, Singapore Branch was the Sole Global Co-ordinator, Joint Lead Manager and Joint Bookrunner, and J.P. Morgan (S.E.A.) Limited was the Joint Lead Manager and Joint Bookrunner. The Co-Lead Managers to the Offering were CLSA Merchant Bankers Limited and Macquarie Securities (Asia) Pte Limited. The Manager and Co-ordinator of the Singapore Public Offer was Oversea-Chinese Banking Corporation Limited.

This announcement has been prepared and released by FSL Trust Management Pte. Ltd., as trustee-manager of First Ship Lease Trust. Deutsche Bank AG, Singapore Branch and J.P. Morgan (S.E.A.) Limited, in their capacity as Joint Lead Managers and Joint Bookrunners, are not required to and have not been involved in the preparation or release of this announcement and have not verified the accuracy, completeness or adequacy of the information contained herein. The Joint Lead Managers and Joint Bookrunners do not accept any responsibility for, and disclaim any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.