



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

9 Temasek Boulevard, #19-03 Suntec Tower Two, Singapore 038989

Tel: 65 6836 3000 Fax: 65 6836 6001 Co. Reg. No. 200702265R

**For Immediate Release**

**FIRST SHIP LEASE TRUST TO DISTRIBUTE US\$12.95 MILLION TO UNITHOLDERS FOR 1Q FY08**

- *Distribution per unit of US\$2.59 cents – 7.0% higher than preceding quarter’s US\$2.42 cents.*
- *Revenue of US\$16.6 million – 10.1% higher than preceding quarter’s US\$15.1 million.*
- *Total asset acquisitions of US\$298 million in just over 12 months since listing; Trustee-Manager on track to meet US\$300 million FY 2008 target.*

**Singapore, 23 April 2008** - FSL Trust Management Pte Ltd (“FSLTM”), Trustee-Manager of First Ship Lease Trust (“FSL Trust”), today announced a total distribution of US\$12.95 million to unitholders of FSL Trust for the quarter ended 31 March 2008 (“1Q FY08”). This represents 100% of the amount available for distribution.

Based on 500 million outstanding units, the Distribution Per Unit (“DPU”) is US\$2.59¢, 7.0% higher than the DPU for the preceding quarter ended 31 December 2007 (“4Q FY07”).

**SUMMARY OF RESULTS**

	<b>1Q FY08 US\$’000</b>	<b>1Q FY07 US\$’000<sup>1</sup></b>	<b>4Q FY07 US\$’000</b>
Revenue	16,604	625	15,080
Net profit after tax	1,705	112	1,882
Net Distributable Amount	13,030	575	12,100
Amount to be distributed	12,950	NA	12,100

<sup>1</sup> FSL Trust was constituted on 19 March 2007. The initial vessel portfolio and its respective leases were acquired on 27 March 2007. Operating activities commenced on 27 March 2007 and information for 1Q FY07 represents results of operating activities from 27 March 2007 to 31 March 2007.

	<b>1Q FY08</b> <b>US Cents</b>	<b>1Q FY07</b> <b>US Cents</b>	<b>4Q FY07</b> <b>US Cents</b>
Distribution Per Unit ("DPU") <sup>2</sup>			
For the period	2.59	NA	2.42
Annualised	10.36	NA	9.68

### **1Q FY08 vs 1Q FY07**

FSL Trust was constituted on 19 March 2007. There were no operating activities for the period prior to 27 March 2007 and a review of 1Q FY08 performance against the period 27 to 31 March 2007 is not meaningful.

### **1Q FY08 vs 4Q FY07**

Revenue rose 10.1% to US\$16.6 million due to the full quarter's impact arising from the purchase and concurrent leaseback of two product tankers from Groda Shipping & Transportation Ltd. ("Groda") in early November 2007.

The increased revenue resulted in a higher Net Distributable Amount of US\$13.0 million against US\$12.1 million generated in 4Q FY07. After accounting for an incentive fee of US\$78,000 payable to the Trustee-Manager, US\$12.95 million will be distributed to unitholders for this quarter.

FSL Trust had a portfolio of 18 vessels as at 31 March 2008 comprising four containerships, nine product tankers, three chemical tankers and two dry bulk carriers.

### **DISTRIBUTION**

For 1Q FY08, unitholders will receive US2.59¢ for each unit they own. This translates into an annualised DPU of US10.36¢, or 7.0% higher than the annualised DPU of US9.68¢ for 4Q FY07. Based on FSL Trust's closing unit price of S\$1.10 and assuming an exchange rate of US\$1 = S\$1.35 on 22 April 2008, this translates into a distribution yield of 12.7% p.a.

The increase in DPU of US0.17¢ (7.0%) from US2.42¢ in 4Q FY07 to US2.59¢ in 1Q FY08 was made possible by the full quarter's impact of the acquisition and concurrent leaseback of two product tankers with Groda which was completed in early November 2007.

FSLTM has progressively raised FSL Trust's DPU since its listing in March 2007. From a base DPU of US2.13¢ per quarter projected in the IPO Prospectus, DPU has increased every subsequent quarter<sup>3</sup>. The US2.59¢ per unit to be paid out for 1Q FY08 is 21.6% higher than the base DPU set just one year ago.

<sup>2</sup> FSL Trust's distribution policy is to apply at least 90% of the Net Distributable Amount towards payment of distributions and incentive fee. For 1Q FY08, FSL Trust's distribution policy is to apply 100% of the Net Distributable Amount for distribution to unitholders and incentive fee payment to the Trustee-Manager.

<sup>3</sup> DPU for 2Q FY07 and 3Q FY07 was US2.19¢ (normalised) and US2.23¢ respectively.

The Books Closure Date is 2 May 2008, and payment to unitholders of the distribution of US2.59¢ per unit<sup>4</sup> will be made on 30 May 2008.

### **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 Sponsor<sup>5</sup> 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 Net Distributable Amount (“DAU”) per unit not be achieved in any quarter.

The DAU per unit for 1Q FY08 is US2.606¢, which exceeds the targeted minimum DAU per unit of US2.237¢ for this quarter. Accordingly, the Sponsor and the Trustee-Manager do not have to surrender any of their distributions and management fees respectively.

In addition, in accordance with the terms of the Trust Deed signed on 19 March 2007, as the DAU per unit in 1Q FY08 of US2.606¢ exceeds US2.450¢ (115% of the benchmark DPU of US\$2.13¢), an incentive fee of US\$78,000 is payable to the Trustee-Manager.

The Trustee-Manager has elected to receive 99.3% of the incentive fee in the form of new units to be issued, with the balance 0.7% in the form of cash. The issue of new units is subject to the in-principle approval of the Singapore Exchange Securities Trading Limited.

### **RECENT EVENTS**

On 18 April 2008, FSLTM announced the acquisition and concurrent leaseback of two crude oil tankers with privately held and Turkey-based Geden Lines (“Geden”) for a total consideration of US\$140 million. Geden is Turkey’s largest shipping company with a total of 77 ships trading or on order at various shipyards. Geden is part of the Turkish Cukurova conglomerate which is ultimately controlled by the prominent Karamehmet family.

The transaction will be significantly and immediately accretive to FSL Trust’s DPU. Assuming no change in the equity structure of FSL Trust and after deducting estimated incentive fees attributable to the Trustee-Manager, the transaction will generate an additional DPU of US0.16¢ for the next quarter ending 30 June 2008, and an additional DPU of US0.28¢ for each full quarter thereafter.

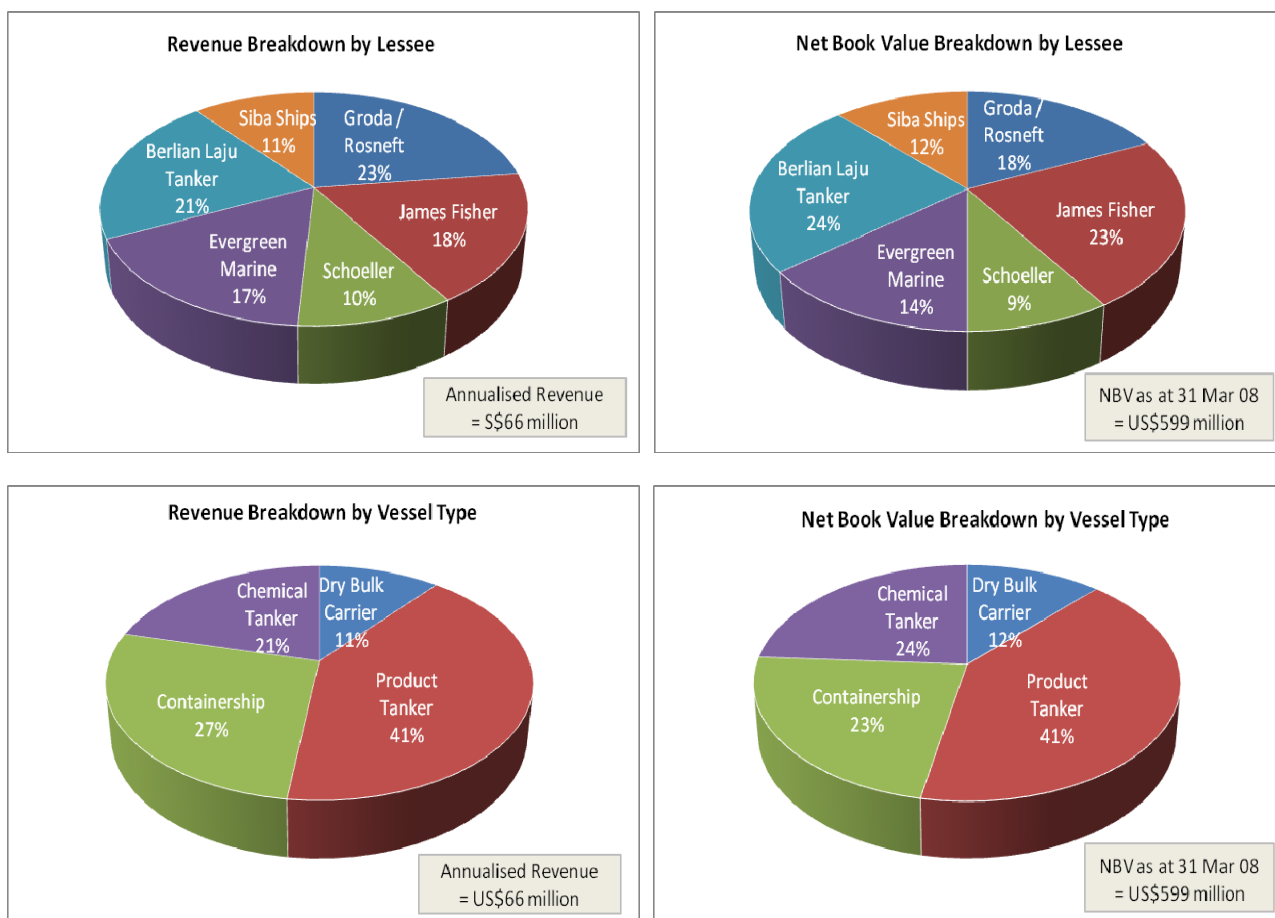
---

<sup>4</sup> Unitholders whose units are held directly through CDP will receive their distribution in the Singapore dollar equivalent of the US2.59¢ declared. Unitholders who wish to receive the distribution in US dollars can do so by submitting a Distribution Election Notice” to CDP by 16 May 2008.

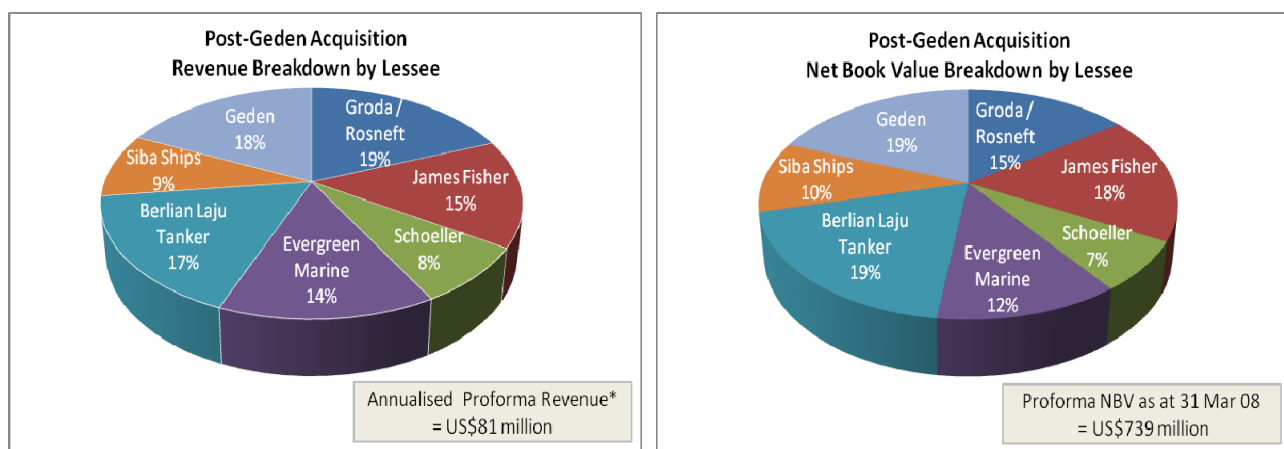
<sup>5</sup> The Sponsor is First Ship Lease Pte. Ltd. As at 31 March 2008, the Sponsor owns 30.1% of the units in FSL Trust.

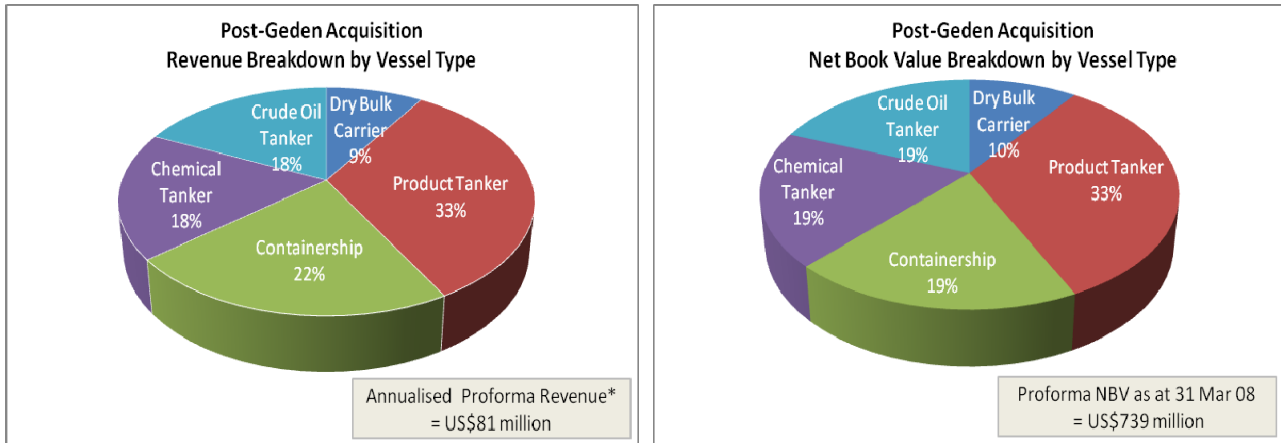
## LEASE PORTFOLIO

FSL Trust's lease portfolio as at 31 March 2008 was as follows:



Assuming the Geden vessels had been part of FSL Trust's lease portfolio as at 31 March 2008, the pro-forma breakdown by revenue and net book value would have been as follows:





\* assuming constant interest rates

## **OUTLOOK AND PROSPECTS**

FSLTM will continue to pursue acquisition opportunities as part of its strategy to grow FSL Trust. To support this effort, it has broadened the transaction origination platform by hiring a Head of Sales – East of Suez, who is joining the Management Team in May 2008.

FSLTM is confident of achieving the previously announced acquisition target of US\$300 million for financial year 2008. Indeed, about 50% of the acquisition target has been achieved with the Geden transaction.

Mr Philip Clausius, Chief Executive Officer of FSLTM said: "In view of the greater difficulty in raising conventional bank financing in the current tight credit environment, ship operators are turning increasingly to alternative financing solutions such as leasing. We are bullish in meeting the balance of the acquisition target of US\$160 million over the next eight months of this year."

Funding for these future acquisitions will be from the newly secured US\$200 million credit facility, of which about US\$150 million remains undrawn.

-- end --

### **About First Ship Lease Trust (“FSL 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 has a modern, high quality and diverse portfolio of 20 vessels consisting of four containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers. 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).

FSL Trust is listed on the Singapore Exchange Securities Trading Limited and is managed by FSL Trust Management Pte. Ltd. (“FSLTM”), the trustee-manager. FSLTM is focused on rapidly growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters. It has an acquisition target of US\$300 million for FY 2008.

### Media/Analysts Contact:

#### Singapore:

#### **Weber Shandwick Worldwide**

Ivan Tan, +65-9635-9765, itan@webershandwick.com

Danny Cham, +65-9696-9128, dcham@webershandwick.com

#### United States

#### **IGB Group**

Leon Berman, +1-212-477-8438, lberman@igbir.com

Michael Cimini, +1-212-477-8261, mcimini@igbir.com

*This news 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 other companies, 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.*

*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.*