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For Immediate Release

FSL TRUST SECURES US\$65M ADDITIONAL CREDIT FACILITY

- **Financing of the third Yang Ming vessel secured**
- **Loan terms reflect strong confidence and broad-based support from banking partners despite challenging market conditions**
- **4Q08 DPU guidance of 3.11 US cents, higher than 3Q08 DPU guidance of 3.05 US cents announced previously**

Singapore, 18 September 2008 – FSL Trust Management Pte. Ltd. (“FSLTM”), trustee-manager of First Ship Lease Trust (“FSL Trust”), is pleased to announce that FSL Trust has obtained an additional revolving credit facility of up to US\$65 million (“Additional Facility”).

The Additional Facility will secure the financing of the acquisition of YM Enhancer, the third and final vessel to be delivered in October 2008, under the previously announced acquisition agreement with Taiwan-based and -listed Yang Ming Marine Transport Corporation.

The Additional Facility is provided by a syndicate of banks jointly led by mandated lead arrangers Bayerische Hypo- und Vereinsbank AG, Singapore Branch (“HVB”) and Oversea-Chinese Banking Corporation Limited (“OCBC”). The other participating banks are Landesbank Hessen-Thüringen Girozentrale (“Helaba”) and Sumitomo Mitsui Banking Corporation, Singapore Branch (“SMBC”).

FSL Trust has an existing US\$450 million revolving credit facility (“Existing Facility”) which is provided by a syndicate of six banks comprising Helaba, HVB, KfW, OCBC, SMBC and The Bank of Tokyo-Mitsubishi UFJ Co., Ltd, Singapore Branch.

The Existing Facility consists of two tranches: an initial 7-year non-amortizing US\$250 million facility (“Tranche A”) and a subsequent 4-year non-amortizing US\$200 million facility (“Tranche B”). The Additional Facility is an extension of the Tranche B facility. It is secured by both the existing vessels in the portfolio as well as additional vessels to be acquired under this facility.

The interest payable is 120 basis points above the US\$ 3-Month LIBOR, which is identical to the interest payable under Tranche B. FSL Trust will hedge the interest rate exposure upon draw-down of the credit facility. Unlike the existing two tranches, the Additional Facility is structured such that the maximum loan amount is amortized linearly from US\$65 million to US\$35 million on a quarterly basis starting from September 2010 to its maturity on 1st April 2012. All other major terms of the Additional Facility are similar to the Existing Facility.

Mr. Cheong Chee Tham, Senior Vice-President and Chief Financial Officer of FSLTM said: "We are very pleased with the successful completion of this US\$65 million facility and are particularly encouraged by the broad-based support from our banking partners and their strong confidence in FSL Trust. While the market outlook remains challenging amidst tightening credit conditions, a slowing global economy and a looming supply peak in all major shipping sectors, our business and lease portfolio remain stable. We are committed to maximizing distributions to our unitholders and to ensure their sustainability."

With the financing for the acquisition of YM Enhancer in place, FSLTM is providing a Distribution Per Unit ("DPU") guidance of 3.11 US cents⁽¹⁾ for 4Q08, which is 0.06 US cents higher than the previously announced 3Q08 DPU guidance of 3.05 US cents which remains unchanged.

Mr. Philip Clausius, President and Chief Executive Officer of FSLTM added: "We note that based on the DPU guidance of 3.11 US cents for 4Q08, the prospective annualised yield of an investment in FSL Trust is about 21%⁽²⁾. Given the current volatility in the capital markets and our conservative business model with long-term secured cash-flows, no unfunded commitments and no near-term refinancing risks, we think this is an extraordinary risk-adjusted rate of return."

(1) Based on 500,359,000 total outstanding units and assuming the delivery of YM Enhancer on 15 October, 2008.

(2) DPU of 3.11 US cents for 4Q08 translates to an annualized distribution yield of approximately 20.9%, based on the closing price of S\$0.850 on 18 September 2008 and an exchange rate of US\$1.00 to S\$1.43.

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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. Upon successful closing of the third Yang Ming vessel in October 2008, FSL Trust will have a diversified portfolio of 23 modern and high quality vessels, consisting of seven containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers. These vessels have an average age of approximately 3.2 years[^], and an average remaining lease period of approximately 9.2 years[^] (excluding extension periods and early buy-out options).

FSL Trust is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is managed by FSL Trust Management Pte. Ltd. ("FSLTM"), the Trustee-Manager. FSLTM is focused on growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters. With the Yang Ming acquisitions, it would have doubled the asset size of its portfolio since its listing in March 2007. More details on FSL Trust are available at www.firstshipleasetrust.com.

[^] Dollar weighted average as at 30 Jun 2008 assuming the inclusion of a container vessel to be delivered in October 2008

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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.