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For Immediate Release

FIRST SHIP LEASE TRUST TO DISTRIBUTE US$9.0 MILLION TO UNITHOLDERS FOR 4Q FY09

- Distribution per unit ("DPU") of US1.50¢ for 4Q FY09
- All customers continue to perform to contract resulting in stable cash flow
- Improving shipping industry outlook for 2010
- DPU guidance of US1.50¢ for 1Q FY10

Singapore, 25 January 2010 – FSL Trust Management Pte. Ltd. ("FSLTM"), the Trustee-Manager of First Ship Lease Trust ("FSL Trust" or the "Trust"), announced today the financial results for FSL Trust for the quarter and financial year ended 31 December 2009.

For the quarter ended 31 December 2009 ("4Q FY09"), FSL Trust will distribute US$9.0 million or DPU of US1.50¢ to its unitholders. The 4Q FY09 DPU of US1.50¢ is in line with the DPU guidance provided previously and unchanged from 3Q FY09. The total distribution for FY2009 is US$42 million or US7.90¢ per unit, which is 31% lower than for FY2008. The retained cash from the lower distribution payout was primarily applied towards voluntary debt prepayment as well as scheduled loan amortization following the credit facility amendment.

Net cash generated from operations grew 15% to US$67.9 million in FY2009 compared to US$59.1 million in FY2008. This increase is attributable to the full year impact of the acquisition of five vessels between April and October 2008. Net cash generated for 4Q FY09 was US$16.2 million, unchanged from 4Q FY08.

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: "2009 proved to be the most difficult year for the global shipping industry since the mid 1980s. 2010 however started on a significantly more positive note: major container liner companies, following various successful freight rate restoration efforts and capacity reductions, are at or close to cash flow breakeven levels; the tanker freight market is enjoying a mini-bull run with current rates at 12-month highs; the dry bulk market has come off somewhat but is still well above long-term historical averages. All of this leads us to believe that asset values are at or close to bottom valuations at this point.

This in turn should point to a slowly improving industry credit profile. Put in another way, we think we have moved beyond the point of highest counterparty default risk in this cycle."

Mr Clausius added: "2009 was a year for us to strengthen our balance sheet with a view to position ourselves for further growth once the market bottoms out. To that end we have put three important measures into place:

- Changed to a more conservative distribution policy
- Amended our credit facility to obtain significant covenant relief
- Raised US$28 million in fresh equity earmarked for growth

Our focus will now shift again to growing our business, at a time when the achievable risk-adjusted returns in the long term shipleasing business are very attractive."

SUMMARY OF RESULTS

	4Q FY09 US$'000	4Q FY08 US$'000	Inc/(Dec) %	FY2009 US$'000
Revenue	24,476	25,662	(4.6)	98,768
Net profit after tax	1,804	456	295.6	8,423
Net cash from operations	16,156	16,029	0.8	67,855
Net Distributable Amount	8,980	16,029	(44.0)	41,975
Amount to be distributed	8,980	15,439	(41.8)	41,978
Distribution per unit ("DPU")(US cts) for the period	1.50	3.08	(51.3)	7.90

PERFORMANCE REVIEW: 4Q FY09 VS 4Q FY08

Lease revenue for 4Q FY09 was US$24.5 million, which is 4.6% lower (-US$1.2 million) compared to 4Q FY08. The decrease is primarily due to lower lease payments received from two vessels leased to Geden Lines ("Geden"). The Geden leases are pegged to the US$ 3-month Libor and reset on a quarterly basis. The US$ 3-month Libor has declined considerably from 4Q FY08 to 4Q FY09.

Operating expenditure[1] for 4Q FY09 decreased 3.2% or US$0.6 million to US$16.8 million due mainly to a decrease in management fees arising from the lower lease payments from Geden during the period.

[1] Operating expenditure relates to depreciation expense on vessels, management fees, trustee fees, incentive fees and other trust expenses.

Net finance expenses[2] for 4Q FY09 decreased by 25.9% or US$2.0 million to US$5.9 million. This is mainly attributable to (i) lower interest expense on the loans drawn to acquire the Geden vessels (which are pegged to US$ 3-month Libor), (ii) decrease in interest expense due to the reduction of loan principal arising from partial repayments in 2009, and (iii) there being no additional interest expense as no market disruption clause was invoked by our lenders in 4Q FY09.

Net income for 4Q FY09 increased 295.6% or US$1.3 million to US$1.8 million or US0.30¢ per unit[3] compared to 4Q FY08. Full year net income for FY2009 rose 74.6% or US$3.6 million to US$8.4 million or US1.57¢ per unit[3].

DISTRIBUTION FOR 4Q FY09

For 4Q FY09, unitholders will receive US1.50¢ for each unit they own. The distribution for 4Q FY09 will be paid on 1 March 2010 to all unitholders of record as of 2 February 2010. Unitholders whose units are held directly through CDP will receive their distributions in Singapore Dollar equivalent[4].

Unitholders who wish to receive their distributions in US Dollar can do so by submitting a "Currency Election Notice" to CDP. The submission cut-off time of the "Currency Election Notice" is 17 February 2010, 5.00 p.m. (Singapore time).

All unitholders are exempted from Singapore income tax and Singapore withholding tax on the distributions made by FSL Trust regardless of whether they are corporate or individual unitholders.

The Distribution Reinvestment Scheme (DRS) will not apply for the 4Q FY09 distribution.

LEASE PORTFOLIO

FSL Trust's current lease portfolio comprises 23 vessels which are all leased out on long-term bareboat charters with lease terms of at least seven years at lease inception. All the lease contracts that FSL Trust has entered into are structured on a "Hell and High Water" bareboat charter basis, the tightest contractual standard in the shipping industry.

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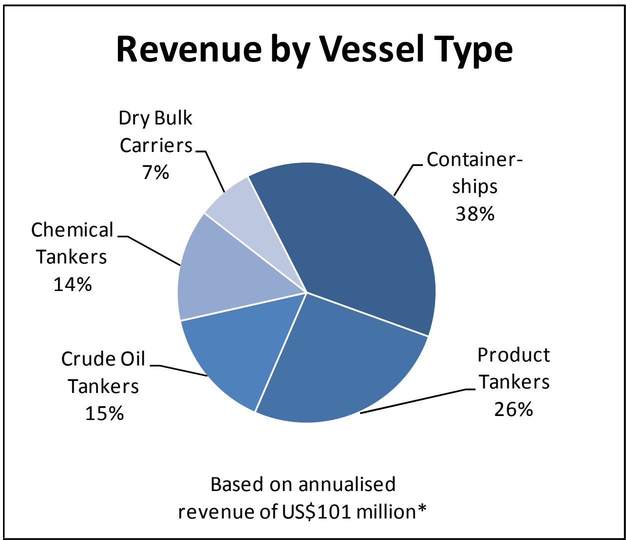
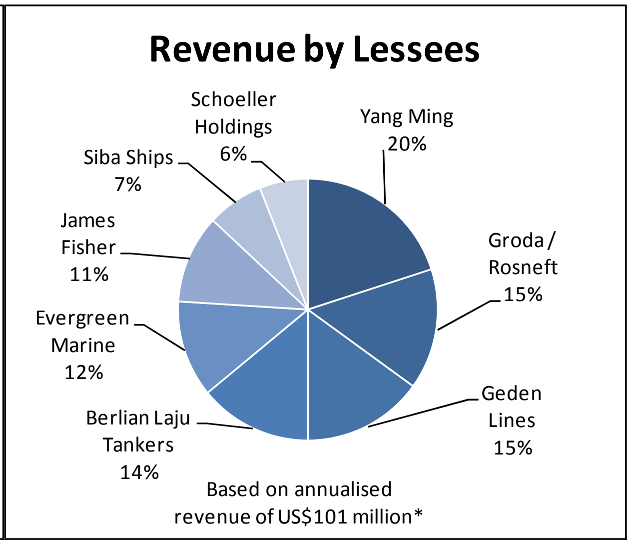
[2] Net finance expenses comprise (i) interest expense on our credit facility, interest rate swaps, (ii) amortized debt transaction costs and agency fees, (iii) commitment fees and administrative fees relating to our credit facility, (iv) net exchange differences and (v) interest income.

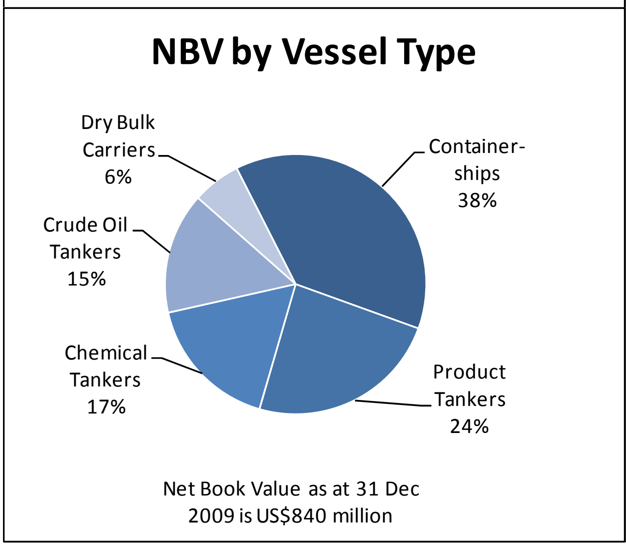
[3] Based on weighted average number of 535,389,000 issued units (nearest thousand)

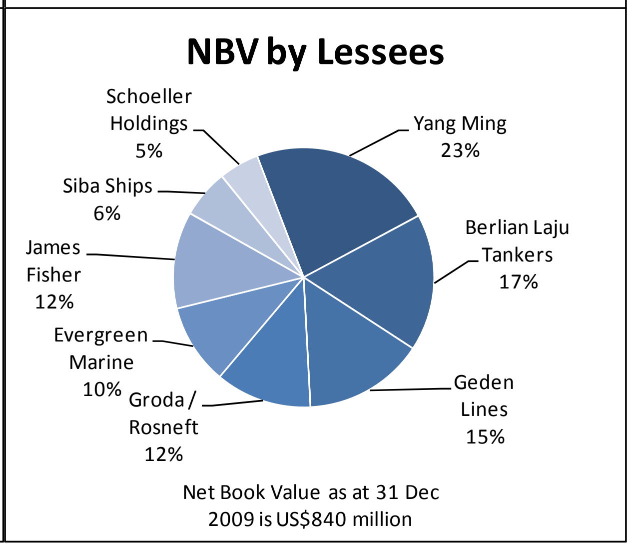
[4] The USD/SGD exchange rate will be announced approximately one week before the payment date on 1 March 2010.

As at 31 December 2009, the lease portfolio has a net book value ("NBV") of US$840.2 million, remaining contracted revenue of US$757 million and a dollar-weighted average remaining lease term of 7.8 years (excluding extension periods and early buy-out options). The weighted-average age of the vessels by net book value is approximately 4.7 years. The following charts show the portfolio revenue and NBV diversification by vessel type and lessees.









* The annualised revenue of US$101 million assumes the daily lease rentals from the two vessels leased to Geden Lines are fixed at US$20,335 per vessel.

CREDIT FACILITY

FSLTM, on behalf of FSL Trust, secured a total revolving credit facility of US$515 million, of which US$513 million have been utilised to acquire an additional 10 vessels post IPO.

The outstanding loan amount was US$492.3 million as at 31 December 2009, and was further reduced to US$485.1 million after the repayment on 4 January 2010. FSL Trust does not have any loan tranche maturing until 2 April 2012.

The loans are fully secured on all of FSL Trust's vessels. The facility is provided on a floating rate basis. FSL Trust has hedged its interest rate risk through a combination of natural hedges and interest rate swaps to fix the interest rates until the maturities of the loans. The all-in effective interest rates range from 4.74% per annum to 6.94% per annum.

OUTLOOK AND GUIDANCE

Commenting on the immediate outlook, Mr Clausius said: "The immediate task for us is to put the proceeds we raised from the equity placement to work. We will invest those proceeds into long-term leasing transactions involving new customers in order to further diversify our portfolio."

Mr Cheong Chee Tham, Chief Financial officer of FSLTM added: "Market permitting and provided that we can achieve acceptable terms, we will also re-visit our senior unsecured notes offering, as we believe this to be an important debt funding diversification strategy. The result of a successful notes offering would be greater financial flexibility and further growth capital. We regard this notes offering as complementary to our bank debt capital and not as a substitute."

Looking ahead, FSL Trust's lease portfolio is expected to continue to deliver predictable and stable cashflow. As the shipping crisis is not over yet, FSLTM will continue to provide DPU guidance on a quarterly basis. For 1Q FY10, FSLTM is providing a DPU guidance of US1.50¢. This represents an annualised yield of approximately 14% based on the closing price of S$0.60 as at 25 January 2010.

CONFERENCE CALL FOR 4Q09 RESULTS

FSLTM will host a conference call for all registered participants on Tuesday, 26 January 2010 at 8.00 a.m. (Singapore time) / 7.00 p.m. (U.S. ET) to discuss the results. An audio recording of the conference call will be available on FSL Trust's website at www.FSLTrust.com from 12.00 p.m. (Singapore time) on 27 January, 2010.

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About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI; OTCQX: FSHPY)

First Ship Lease Trust ("FSL Trust" or the "Trust") is a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has 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 4.7 years^ and an average remaining lease period of approximately 7.8 years^ (excluding extension periods and early buy-out options). FSL Trust Management Pte. Ltd., the Trustee-Manager of the Trust, is focused on growing and diversifying the portfolio of the Trust through accretive acquisitions of vessels with long-term leases.

FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) and its American Depository Receipts are quoted on the PrimeQX tier of International OTCQX. FSL Trust is a component stock of the FTSE ST Maritime Index.

^ As at 31 December 2009, and on a dollar-weighted average basis by net book value.

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