



**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 MAINTAINS DISTRIBUTION  
AT US0.95¢ PER UNIT FOR 4QFY10**

- Predictable long-term cash flow from lease portfolio underpins 15 consecutive quarters of distribution payments since listing
- Healthy balance sheet with cash of US\$55.8 million as at 31 December 2010
- Trust is well-positioned to tap growth in rapidly expanding Asia

**Singapore, 19 January 2011** – 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 (“4QFY10”) and financial year (“FY2010”) ended 31 December 2010.

For the quarter, FSL Trust will distribute US\$5.7 million or US0.95¢ per unit<sup>1</sup> to its unitholders. The distribution per unit (“DPU”) of US0.95¢, unchanged from 3QFY10, represents an annualised tax-exempt yield of 10.2%<sup>2</sup>. The distribution will be paid on 25 February 2011 to all unitholders on record as at 27 January 2011. Underpinned by long-term predictable cashflow from its lease portfolio, the Trust has maintained 15 consecutive quarters of DPU payments since its listing in March 2007.

Revenue for FY2010 was US\$100.5 million, up 1.7% year-on-year (y-o-y) from US\$98.8 million in FY2009. The FY2010 revenue includes a non-recurring US\$6 million cash receipt pursuant to the redelivery of the vessels ‘*FSL Singapore*’ and ‘*FSL Hamburg*’<sup>3</sup> in 2QFY10 (the “vessel redelivery”), which partially offset the impact resulting from the vessel redelivery. Net cash generated for the year amounted to US\$60.5 million, which is 10.9% lower y-o-y primarily due to the termination of bareboat leases as a result of the vessel redelivery. The Trust posted a full year net loss of US\$5.7 million, compared to a profit of US\$8.4 million in the previous year, mainly due to the loss in bareboat rental and impairment charge from the vessel redelivery.

The Trust’s balance sheet remains sound with a cash balance of US\$55.8 million as at 31 Dec 2010. The Trust’s vessel portfolio, which comprises 23 vessels of which 21 are on long-term bareboat leases, has substantial remaining contracted revenue of US\$597.3 million with an average remaining lease term of 7.2 years. All existing 21 bareboat leases are structured with recourse to the substantive entities of the respective lessees.

<sup>1</sup> The Distribution Reinvestment Scheme (DRS) will not apply to the 4QFY10 distribution.

<sup>2</sup> Based on FSL Trust closing price of S\$0.475 per unit on 19 January 2011 and an exchange rate of US\$1.00 = S\$1.28.

<sup>3</sup> ‘*FSL Singapore*’ and ‘*FSL Hamburg*’ were formerly known as ‘*Verona I*’ and ‘*Nika I*’, respectively.

'FSL Singapore' and 'FSL Hamburg' have both been deployed in the product tanker spot market since July and August 2010, respectively. During 4QFY10, 'FSL Singapore' underwent regular dry-docking for approximately 4 weeks. The two tankers earned freight income of US\$3.4 million in 4Q FY10, which is US\$0.9 million higher than the US\$2.5 million earned in 3QFY10. Voyage expenses for the quarter, which comprise mainly bunkers and port charges, rose to US\$2.0 million from US\$0.9 million in 3QFY10. This resulted in lower time-charter equivalent (TCE) revenue of US\$1.4 million, compared to US\$1.6 million in the preceding quarter. On a bareboat charter equivalent revenue basis<sup>4</sup>, the two vessels earned US\$0.2 million, compared to US\$0.4 million in 3QFY10.

### **UPDATE ON THE CREDIT FACILITY**

As at 31 December 2010, the Trust carried an outstanding secured debt of US\$460.3 million. This amount was further reduced to US\$453.1 million after a loan repayment on 4 January 2011. 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 and are 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**

Mr Philip Clausius, Chief Executive Officer of FSLTM said, "We have maintained a stable footing despite the challenges encountered during the year. Notwithstanding that we now have two tankers deployed in the spot market, our primary business focus remains on long-term bareboat leasing. The leases in our vessel portfolio are expected to continue to generate predictable long-term cash flow that supports regular distributions to our unitholders.

"Although 2011 will continue to pose challenges such as the oversupply of new ship capacity and uncertainties in the growth of global trade and the economy, there are pockets of good opportunities to expand our portfolio and grow our long-term recurrent cashflow base. We are well-positioned in the rapidly expanding Asia to tap the growth momentum."

### **CONFERENCE CALL FOR 4Q10 RESULTS**

FSLTM will host a conference call for all registered participants on Thursday, 20 January 2011 at 8.00 a.m. (Singapore time) to discuss the results. An audio recording of the conference call will be available on FSL Trust's website at [www.FSLTrust.com](http://www.FSLTrust.com) from 12.00 p.m. (Singapore time) on 21 January, 2011.

- ends -

---

<sup>4</sup> Bareboat charter equivalent revenue is time-charter equivalent revenue less crew cost, vessel maintenance and other vessel operating costs.

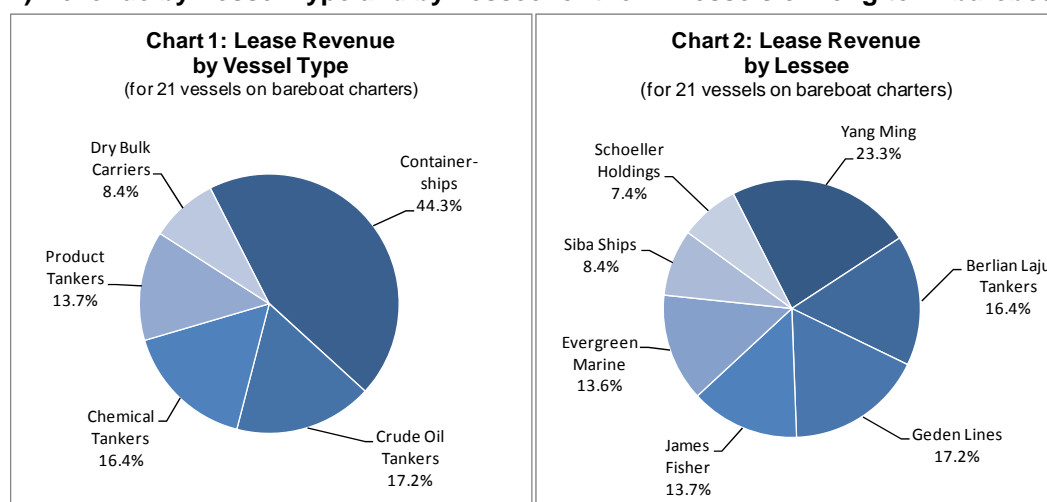
## APPENDIX: HIGHLIGHTS OF FINANCIAL RESULTS

### A) Summary of financial results for the quarter and year ended 31 December 2010

	4Q FY10 US\$'000	4Q FY09 US\$'000	y-o-y % change	3Q FY10 US\$'000	q-o-q % change
Revenue	24,113	24,476	(1.5)	23,421	3.0
(Loss) / Profit for the quarter	(928)	1,804	N.M.	649	N.M.
Net cash from operations	12,984	16,156	(19.6)	14,077	(7.8)
Net Distributable Amount	5,688	8,980	(36.7)	5,687	0.0
Amount to be distributed	5,688	8,980	(36.7)	5,687	0.0
Distribution per unit for the period (US cts)	0.95	1.50	(36.7)	0.95	0.0

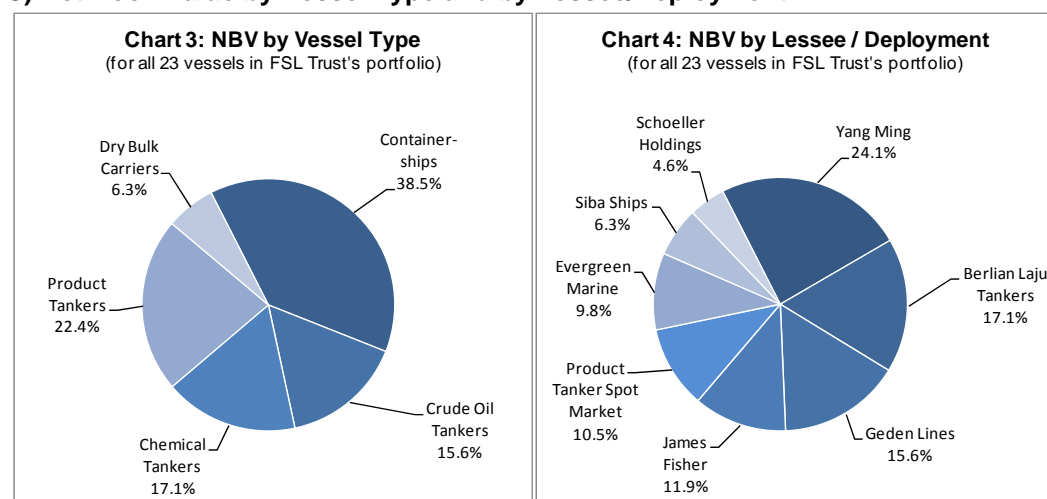
	FY2010 US\$'000	FY2009 US\$'000	y-o-y % change
Revenue	100,494	98,768	1.7
(Loss) / Profit for the year	(5,699)	8,423	N.M.
Net cash from operations	60,479	67,855	(10.9)
Net Distributable Amount	26,042	41,975	(38.0)
Amount to be distributed	26,042	41,978	(38.0)
Distribution per unit for the period (US cts)	4.35	7.90	(45.0)

### B) Revenue by Vessel Type and by Lessee for the 21 vessels on long-term bareboat charter



Note: Based on annualised revenue of US\$86 million, which assumes that the daily lease rental from the two vessels leased to Geden Lines are fixed at US\$20,335 per vessel.

### C) Net Book Value by Vessel Type and by Lessee/Deployment



Note: Net book value as at 31 December 2010 is US\$769 million

## **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, comprising seven containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers. Of these, 21 vessels are leased to seven reputable international shipping companies on long-term bareboat charter basis and two vessels are presently deployed in the product tanker spot market.

FSL Trust is managed by FSL Trust Management Pte. Ltd., the trustee-manager. The trustee-manager aims to grow and diversify the Trust’s portfolio through accretive acquisitions of vessel with leases, to increase predictable cashflow generation and to provide sustainable regular cash distributions to unitholders of the Trust.

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

---

*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.*

---

### **Contacts:**

#### **FSL Trust - Investor Relations enquiries**

Mr. Fung-Leng CHEN

Telephone: +65 6500-9085

email: [flchen@firstshiplease.com](mailto:flchen@firstshiplease.com)

#### **OakTree Advisers - Media enquiries**

Ms. Jasmine Zhao

Telephone: +65 6100-1811

email: [jasminezhao@oaktreadvisers.com](mailto:jasminezhao@oaktreadvisers.com)

#### **The IGB Group - Investor Relations enquiries (United States)**

Mr. Michael CIMINI

Telephone: +1 212-477-8261

email: [mcimini@igbir.com](mailto:mcimini@igbir.com)