



FIRST SHIP LEASE TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2011

First Ship Lease Trust ("FSL Trust") is a provider of leasing services on a bareboat charter basis to the international shipping industry.

FSL Trust was constituted under a deed of trust dated 19 March 2007 entered with FSL Trust Management Pte. Ltd. as its trustee-manager and was listed on the Singapore Exchange Securities Trading Limited ("SGX") on 27 March 2007.

As at 31 December 2011, FSL Trust has a modern, high quality and diverse portfolio of 25 vessels consisting of seven containerships, 11 product tankers, three chemical tankers, two crude oil tankers and two dry bulk carriers. Twenty-three vessels are employed on long-term bareboat leases and have a dollar-weighted average remaining lease period of approximately six years (excluding extension periods and early buy-out options). The remaining two product tankers are currently trading in the product tanker spot market. The combined portfolio of vessels has a dollar-weighted average age of approximately six and a half years.

Summary of FSL Trust Consolidated Results

	4Q 2011	4Q 2010	Inc/(Dec)	FY 2011
	US\$'000	US\$'000	%	US\$'000
Revenue	29,575	24,113	22.7	110,714
Profit/(Loss) for the quarter	7,385	(928)	N.M.	5,051
Net cash generated from operations	23,207	12,984	78.7	63,846
Net Distributable Amount	655	5,688	(88.5)	18,293
Amount to be distributed	655	5,688	(88.5)	18,293
Distribution Per Unit ("DPU") (US Cents)				
For the period	0.10	0.95	(89.5)	2.95
Annualised	0.40	3.80	(89.5)	-

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1(a)(i) Consolidated Income Statements

		Group					
	Note	4Q 2011	4Q 2010	Inc/ (Dec)	FY 2011	FY 2010	Inc/ (Dec)
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue		29,575	24,113	22.7	110,714	100,494	10.2
Depreciation expense on vessels		(15,475)	(14,259)	8.5	(59,688)	(59,058)	1.1
Impairment loss on vessels		-	-	-	-	(7,865)	N.M.
Vessel operating and voyage expenses		(5,118)	(3,150)	62.5	(18,275)	(5,474)	N.M.
Management fees		(1,005)	(855)	17.5	(3,652)	(3,563)	2.5
Trustee fees		(42)	(43)	(2.3)	(169)	(175)	(3.4)
Other trust expenses		(793)	(426)	86.2	(3,409)	(4,395)	(22.4)
Write-back of provision for call on a banker's guarantee	(a)	2,500	-	N.M.	-	-	-
Other income	(a)	5,000	-	N.M.	5,000	-	N.M.
Finance income		18	33	(45.5)	79	249	(68.3)
Finance expenses	(b)	(7,280)	(6,349)	14.7	(25,549)	(25,903)	(1.4)
Profit/(Loss) before income tax		7,380	(936)	N.M.	5,051	(5,690)	N.M.
Income tax write-back/(expense)	(c)	5	8	(37.5)	-	(9)	N.M.
Profit/(Loss) for the quarter/year		7,385	(928)	N.M.	5,051	(5,699)	N.M.

Notes:

- (a) This relates to the write-back of a provision for call on a banker's guarantee (US\$2.5 million) which was made in 2Q 2011 and the receipt of settlement from Daxin Petroleum Pte. Ltd. (US\$5.0 million) pursuant to the amicable out-of-court settlement in November 2011.
- (b) The finance expenses for 4Q 2011 included a net exchange gain of US\$0.4 million arising mainly from (i) the return of Japanese Yen-denominated cash deposit by the Japanese court (US\$0.3 million) and (ii) the partial repayment of inter-company US\$-denominated loans extended previously to certain subsidiaries (US\$0.1 million).
- (c) This relates to tax write-back/(expense) on the taxable interest income from bank deposits.

1(a)(ii) Statements of Comprehensive Income

		Group			
		4Q 2011	4Q 2010	FY 2011	FY 2010
		US\$'000	US\$'000	US\$'000	US\$'000
Profit/(Loss) for the quarter/year		7,385	(928)	5,051	(5,699)
Other comprehensive income:					
Translation differences relating to financial statements of foreign subsidiaries		(770)	(473)	(1,023)	(1,720)
Exchange differences on monetary items forming part of net investment in foreign subsidiaries		(786)	(703)	(977)	(2,659)
Effective portion of changes in fair value of cash flow hedges		1,044	2,563	(5,169)	(13,449)
Net change in fair value of cash flow hedges transferred to income statement		3,624	3,765	14,953	14,572
Other comprehensive income, net of tax		3,112	5,152	7,784	(3,256)
Total comprehensive income		10,497	4,224	12,835	(8,955)

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1(a)(iii) Distribution Statements

	Note	Group			
		4Q 2011 US\$'000	4Q 2010 US\$'000	FY 2011 US\$'000	FY 2010 US\$'000
Profit/(Loss) for the quarter/year		7,385	(928)	5,051	(5,699)
Add: Non-cash adjustments	(a)	15,822	13,912	58,795	66,178
Net cash generated from operations		23,207	12,984	63,846	60,479
Less: Repayment of secured bank loans		(3,523)	(8,000)	(26,707)	(32,000)
Income available for distribution		19,684	4,984	37,139	28,479
Add: Utilisation of cash retained from previous periods		-	704	2,394	1,355
Less: Cash retained in the current period		(19,029)	-	(21,240)	(3,792)
Net distributable amount	(b)	655	5,688	18,293	26,042
Amount available for distribution		655	5,688	18,293	26,042
Comprising: (i) Tax-exempt distribution		632	5,647	18,214	25,802
(ii) Tax-exempt (one-tier) distribution		23	41	79	240
Amount to be distributed		655	5,688	18,293	26,042
Units at the end of the quarter/year ('000)		654,665	598,665	654,665	598,665
Distribution per unit (US Cents)		0.10	0.95	2.95	4.35

Notes:

- (a) Non-cash adjustments include depreciation expenses, translation exchange differences and amortisation of certain debt upfront fees and initial direct costs. Initial direct costs are transaction expenses incurred in the origination of new leases. These costs are capitalised and amortised into earnings in proportion to the recognition of lease income.
- (b) Total net cash generated for the quarter amounted to US\$23.2 million. The net distributable amount of US\$0.7 million is derived after deducting loan repayments totalling US\$3.5 million and cash retention of US\$19.0 million.

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1(b)(i) Statements of Financial Position

	Note	31 Dec 2011		31 Dec 2010	
		Group	Trust	Group	Trust
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Vessels		806,813	-	775,023	-
Subsidiaries		-	589,358	-	592,523
Derivative assets		426	426	476	476
		807,239	589,784	775,499	592,999
Current assets					
Inventories		998	-	738	-
Derivative assets		314	314	188	188
Trade and other receivables		3,677	95,500	3,758	90,743
Cash and cash equivalents	(a)	32,304	28,877	55,846	51,790
		37,293	124,691	60,530	142,721
Total assets		844,532	714,475	836,029	735,720
Equity attributable to unitholders of FSL Trust					
Units in issue		525,412	525,412	510,273	510,273
Reserves		(178,316)	(304,168)	(167,825)	(262,466)
Total equity		347,096	221,244	342,448	247,807
Non-current liabilities					
Secured bank loans		428,780	428,780	432,409	432,409
Derivative liabilities		8,781	8,781	14,289	14,289
		437,561	437,561	446,698	446,698
Current liabilities					
Trade and other payables		5,840	3,122	6,204	3,227
Lease income received in advance		1,486	-	2,682	-
Derivative liabilities		8,548	8,548	12,748	12,748
Secured bank loan		44,000	44,000	25,240	25,240
Current tax payable		1	-	9	-
		59,875	55,670	46,883	41,215
Total liabilities		497,436	493,231	493,581	487,913
Total equity and liabilities		844,532	714,475	836,029	735,720

Note (a): Cash and cash equivalents comprise:

	31 Dec 2011		31 Dec 2010	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at Bank	6,894	3,467	4,734	678
Short-term deposits	25,410	25,410	51,112	51,112
Cash and cash equivalents	32,304	28,877	55,846	51,790
Cash deposit pledged as security for banker's guarantee [^]	-	-	(2,800)	(2,800)
Cash and cash equivalents in the statement of cash flows	32,304	28,877	53,046	48,990

[^] In FY 2010, a cash deposit was provided as security for a banker's guarantee of US\$2.8 million for the release of a vessel, 'FSL Hamburg'. Pursuant to the amicable out-of-court settlement on a without-admission-of-liability basis between FSL Trust and Daxin Petroleum Pte. Ltd. in November 2011, this banker's guarantee was returned and the pledge released.

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1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities

	31 Dec 2011	31 Dec 2010
	US\$'000	US\$'000
Secured bank loans		
Amount repayable within one year	44,000	25,240
Amount repayable after one year	435,558	435,024
Less: Unamortised debt upfront fees	(6,778)	(2,615)
	472,780	457,649

The Trustee-Manager, on behalf of FSL Trust, has secured a 6-year amortising term loan facility ("credit facility") with an outstanding loan balance of US\$479.6 million as at 31 December 2011.

The interest margin of the credit facility:

Security-to-loan Valuation ("STL")	Margin over US\$ 3-month Libor
>125% to 140%	3.0%
>140% to 180%	2.8%
>180%	2.6%

The loan was drawn on 20 December 2011 and the applicable margin over US\$ 3-month Libor was 3% as the STL was 130%.

The credit facility is secured on the following:

- (i) a first priority mortgage over the Group's vessels in the portfolio;
- (ii) a first priority assignment of the Group's rights, title, interest in the insurances to and for each vessel, including insurance for hull and machinery, protection and indemnity and war risks; and
- (iii) a first priority assignment of the Group's rights, title and interest in and to the bareboat charter agreement and the charter income of each vessel.

FSL Trust has hedged its interest rate risk through a combination of interest rate swaps and/or natural hedges to fix the interest rates. The fixed interest rates range from 3.04% per annum to 5.24% per annum. Arising from the recent drawdown under the new credit facility, certain tenure of the loan remains unhedged. This unhedged portion will be hedged in accordance to FSL Trust's policy to ensure 100% of its exposure to changes in interest rates is hedged.

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1(c) Consolidated Cash Flow Statements

	Group			
	4Q 2011	4Q 2010	FY 2011	FY 2010
Note	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities:				
Profit/(Loss) before income tax	7,380	(936)	5,051	(5,690)
Adjustments for:				
Depreciation expense on vessels	15,475	14,259	59,688	59,058
Impairment loss on vessels	-	-	-	7,865
Amortisation of debt upfront fees and initial direct costs	1,696	466	3,169	1,911
Interest income	(18)	(33)	(79)	(249)
Interest expense	6,051	6,128	23,756	24,565
Unrealised exchange differences	(102)	(192)	(831)	(174)
	30,482	19,692	90,754	87,286
Changes in working capital:				
Deposits, prepayments and receivables	(1,072)	(588)	77	(2,492)
Inventories	530	263	(260)	(738)
Trade and other payables	(2,930)	(1,047)	452	1,655
Lease income received in advance	(2,680)	970	(1,196)	523
Release of pledge/(Pledge) of cash deposit	2,800	-	2,800	(2,800)
Cash generated from operations	27,130	19,290	92,627	83,434
Income taxes paid	-	-	(8)	-
Cash flows from operating activities	27,130	19,290	92,619	83,434
Investing activities:				
Acquisition of vessels	-	-	(93,183)	-
Interest received	16	31	87	244
Costs incurred for dry-docking	-	(771)	(18)	(1,496)
Cash flows from investing activities	16	(740)	(93,114)	(1,252)
Financing activities:				
Net proceeds from issuance of units	-	-	15,139	-
Distribution to unitholders	(6,219)	(5,687)	(23,326)	(29,334)
Repayment of secured bank loans	(483,080)	(8,000)	(506,264)	(32,000)
Net proceeds from borrowings	472,780	-	518,780	-
Interest paid	(6,868)	(6,246)	(24,576)	(24,572)
Cash flows from financing activities	(23,387)	(19,933)	(20,247)	(85,906)
Net increase/(decrease) in cash and cash equivalents	3,759	(1,383)	(20,742)	(3,724)
Cash and cash equivalents at beginning of period	28,545	54,429	53,046	56,770
Cash and cash equivalents at end of period	32,304	53,046	32,304	53,046
Comprising:-				
Cash at Bank	6,894	4,734	6,894	4,734
Short-term deposits	25,410	48,312	25,410	48,312
	32,304	53,046	32,304	53,046

Note:

- (a) In FY 2010, a cash deposit was provided as security for a banker's guarantee of US\$2.8 million for the release of a vessel, 'FSL Hamburg'. Pursuant to the amicable out-of-court settlement on a without-admission-of-liability basis between FSL Trust and Daxin Petroleum Pte. Ltd. in November 2011, this banker's guarantee was returned and the pledge was released.

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1(d)(i) Statements of Changes in Unitholders' Funds

2011
Group

At 1 October 2011
Total comprehensive income for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 December 2011

Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profit/(Losses)	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
525,412	(20,881)	(1,387)	(160,326)	342,818
-	4,668	(1,556)	7,385	10,497
-	-	-	(6,219)	(6,219)
525,412	(16,213)	(2,943)	(159,160)	347,096

2010
Group

At 1 October 2010
Total comprehensive income for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 December 2010

Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Profit/(Losses)	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
510,273	(32,325)	233	(134,270)	343,911
-	6,328	(1,176)	(928)	4,224
-	-	-	(5,687)	(5,687)
510,273	(25,997)	(943)	(140,885)	342,448

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1(d)(i) Statements of Changes in Unitholders' Funds (cont'd)

2011
Trust
At 1 October 2011
Total comprehensive income for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 December 2011

Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
525,412	(20,881)	(273,804)	230,727
-	4,668	(7,932)	(3,264)
-	-	(6,219)	(6,219)
525,412	(16,213)	(287,955)	221,244

2010
Trust
At 1 October 2010
Total comprehensive income for the quarter
Contribution by and distribution to unitholders:
Distribution to unitholders
At 31 December 2010

Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
510,273	(32,325)	(224,052)	253,896
-	6,328	(6,730)	(402)
-	-	(5,687)	(5,687)
510,273	(25,997)	(236,469)	247,807

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1(d)(ii)(iii) Details of any changes in Units

	4Q 2011 Units	FY 2010 Units
At the beginning of the period	654,665,077	598,665,077
Units issued during the period	-	-
At the end of the period	654,665,077	598,665,077

1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Units

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

FSL Trust has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There are no changes.

6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU") for the financial period

	Group			
	4Q 2011	4Q 2010	FY 2011	FY 2010
Basic and diluted earnings per unit is based on:				
Profit/(Loss) for the quarter/year (US\$'000)	7,385	(928)	5,051	(5,699)
Weighted average number of issued units (basic and diluted) ('000)	654,665	598,665	628,123	598,665
Basic and diluted earnings per unit based on weighted average number of units in issue (US Cents)	1.13	(0.16)	0.80	(0.95)
Number of issued units at end of quarter/year ('000)	654,665	598,665	654,665	598,665
Distribution per unit (US Cents)	0.10	0.95	2.95	4.35

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7. Net Asset Value (“NAV”) per Unit based on units at the end of the period

	Note	31 Dec 2011		31 Dec 2010	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.53	0.34	0.57	0.41

Note:

(a) Net asset value per unit was calculated based on the applicable number of units issued as at the end of the respective year.

8. Review of Performance

Consolidated Income Statements

	Group					
	4Q 2011	4Q 2010	Inc/ (Dec)	FY 2011	FY 2010	Inc/ (Dec)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	29,575	24,113	22.7	110,714	100,494	10.2
Depreciation expense on vessels	(15,475)	(14,259)	8.5	(59,688)	(59,058)	1.1
Impairment loss on vessels	-	-	-	-	(7,865)	N.M.
Vessel operating and voyage expenses	(5,118)	(3,150)	62.5	(18,275)	(5,474)	N.M.
Management fees	(1,005)	(855)	17.5	(3,652)	(3,563)	2.5
Trustee fees	(42)	(43)	(2.3)	(169)	(175)	(3.4)
Other trust expenses	(793)	(426)	86.2	(3,409)	(4,395)	(22.4)
Write-back of provision for call on a banker's guarantee	2,500	-	N.M.	-	-	-
Other income	5,000	-	N.M.	5,000	-	N.M.
Finance income	18	33	(45.5)	79	249	(68.3)
Finance expenses	(7,280)	(6,349)	14.7	(25,549)	(25,903)	(1.4)
Profit/(Loss) before income tax	7,380	(936)	N.M.	5,051	(5,690)	N.M.
Income tax write-back/(expense)	5	8	(37.5)	-	(9)	N.M.
Profit/(Loss) for the quarter/year	7,385	(928)	N.M.	5,051	(5,699)	N.M.

4Q 2011 vs 4Q 2010

Revenue rose 22.7% (+US\$5.5 million) to US\$29.6 million in 4Q 2011 compared to 4Q 2010. The net increase was contributed by the full quarter lease revenue from the two newly acquired vessels leased to TORM A/S (“TORM”) in June 2011 as well as higher freight income generated by the two product tankers trading in the spot market.

Excluding the vessel operating and voyage expenses of US\$5.2 million relating to the product tankers trading in the spot market, total operating expenditure increased by 11.1% (+US\$1.7 million) to US\$17.3 million. The higher expenditure in 4Q 2011 was mainly due to (i) higher depreciation expense of US\$1.2 million arising from the two vessels leased to TORM, (ii) higher management fee of US\$150,000 arising from lease revenue from TORM and higher bareboat charter equivalent revenue from the two product tankers deployed in the spot market and (iii) legal fees for the suit against Daxin Petroleum Pte. Ltd.

Finance expenses in 4Q 2011 (excluding exchange gains of US\$389,000 (4Q 2010: US\$182,000)) increased by 17.4% (+US\$1.1 million) due to recognition of the unamortised debt upfront fees relating to the old credit facility.

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8. Review of Performance (cont'd)

In connection with the amicable out-of-court settlement on a without-admission-of-liability between FSL Trust and Daxin Petroleum Pte. Ltd. ("Daxin") in November 2011 (please refer to announcement titled "Settlement for Daxin Proceedings" dated 9 November 2011), it was agreed that the US\$1.6 million cash deposit placed with the Japanese court be refunded and the US\$2.8 million bank guarantee for the PRC proceedings be released. In addition, Daxin had agreed to pay FSL Trust a settlement sum of US\$5.0 million. Hence, the provision for call on the banker's guarantee of US\$2.5 million (made earlier in 2Q 2011) was written back in 4Q 2011 and the settlement sum of US\$5.0 million was recognised as 'Other income' in 4Q 2011.

On an overall basis, FSL Trust reported a net profit of US\$7.4 million for 4Q 2011.

Trading performance of two product tankers

	4Q 2011	4Q 2010	FY 2011	FY 2010
	US\$ million	US\$ million	US\$ million	US\$ million
Freight income	5.950	3.397	21.590	5.935
Voyage expenses	(3.970)	(1.954)	(13.568)	(2.892)
Time charter equivalent revenue	1.980	1.443	8.022	3.043
Less: Crew cost, vessel maintenance and others	(1.224)	(1.234)	(5.010)	(2.645)
Bareboat charter equivalent revenue	0.756	0.209	3.012	0.398

'FSL Hamburg' and 'FSL Singapore' which are deployed in the product tanker spot market generated a bareboat charter equivalent revenue of US\$756,000 for 4Q 2011 (4Q 2010: US\$209,000). Cumulatively for FY 2011, these vessels earned a bareboat charter equivalent revenue of US\$3.0 million (FY 2010: US\$398,000).

FY 2011 vs FY 2010

For the year ended 31 December 2011, revenue rose 10.2% (+US\$10.2 million) to US\$110.7 million compared to FY 2010. Included in FY 2010 revenue was a US\$6.0 million security deposit received by FSL Trust arising from the re-delivery of 'FSL Hamburg' and 'FSL Singapore'. Excluding this amount, FY 2011's revenue would have risen by 17.2% as compared to FY 2010. The net increase was contributed by the incremental lease revenue from TORM and higher freight income generated by the two product tankers trading in the spot market.

Total operating expenditure fell marginally by 0.4% (-US\$0.3 million) to US\$66.9 million compared to FY 2010. The decrease was primarily due to (i) higher professional fees incurred in FY 2010 mainly from the aborted senior note offering offset by (ii) higher depreciation expense in FY 2011 resulting from the acquisition of two TORM vessels in FY 2011.

Finance expenses in FY 2011 (excluding exchange gains of US\$1.1 million (FY 2010: US\$223,000)) increased by 1.9% (+US\$0.5 million) due to recognition of the unamortised debt upfront fees relating to the old credit facility offset by lower interest expense due to lower interest margin on outstanding indebtedness, following the amendment period which ended on 30 June 2011.

For the year ended 31 December 2011, FSL Trust reported a net profit of US\$5.1 million.

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8. Review of Performance (cont'd)

Distribution Statements

Note	Group			
	4Q 2011 US\$'000	4Q 2010 US\$'000	FY 2011 US\$'000	FY 2010 US\$'000
	7,385	(928)	5,051	(5,699)
	15,822	13,912	58,795	66,178
	23,207	12,984	63,846	60,479
	(3,523)	(8,000)	(26,707)	(32,000)
	19,684	4,984	37,139	28,479
	-	704	2,394	1,355
	(19,029)	-	(21,240)	(3,792)
	655	5,688	18,293	26,042
	655	5,688	18,293	26,042
	632	5,647	18,214	25,802
	23	41	79	240
	655	5,688	18,293	26,042
	654,665	598,665	654,665	598,665
	0.10	0.95	2.95	4.35

Note:

(a) Non-cash adjustments include depreciation expenses, translation exchange differences and amortisation of certain debt upfront fees and initial direct costs.

In 4Q 2011, FSL Trust generated US\$19.7 million which is available for distribution. Whilst FSL Trust has the capacity for a regular distribution, the Board of Directors of the Trustee-Manager has decided to conserve cash and reduce the distribution to US0.10 cents per unit for this quarter. Please see Section 10 'Outlook and Prospects' for more details.

Distribution Reinvestment Scheme

For the quarter ended 31 December 2011, the Board has determined that the Distribution Reinvestment Scheme will not apply to the distribution declared for this quarter.

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

Deteriorating freight rates and asset values continue to threaten the shipping industry and result in heightened counterparty risk. In view of the weak outlook, the Board has decided to reduce the distribution per unit to US0.10 cents for 4Q 2011. This would allow FSL Trust both to conserve cash and to strengthen its balance sheet to face the difficult environment. At the same time, with stronger cash reserves, FSL Trust will be better able to stay within its loan covenants. The Trustee-Manager is committed to protect FSL Trust and maintain its long-term viability.

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11. Distribution

(a) Current financial period

Any distributions declared for the current financial period	:	Yes
Amount	:	US\$654,665
Distribution Period	:	1 October 2011 to 31 December 2011
Distribution Type	:	Cash, Tax-exempt Distribution
Distribution Rate	:	US0.10 cents per unit
Par Value of units	:	Not applicable
Tax Rate	:	Distributions received by either Singapore tax resident unitholders or non-Singapore tax resident unitholders are exempt from Singapore income tax and are also not subject to Singapore withholding tax. The unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager of FSL Trust.

(b) Corresponding Period of the Immediate Preceding Financial Period

Any distributions declared for the previous corresponding period	:	Yes
Amount	:	US\$5,687,318
Distribution Period	:	1 October 2010 to 31 December 2010
Distribution Type	:	Cash, Tax-exempt Distribution
Distribution Rate	:	US0.95 cents per unit
Par Value of units	:	Not applicable
Tax Rate	:	Distributions received by either Singapore tax resident unitholders or non-Singapore tax resident unitholders are exempt from Singapore income tax and are also not subject to Singapore withholding tax. The unitholders are not entitled to tax credits for any taxes paid by the Trustee-Manager of FSL Trust.

(c) Payment Date 28 February 2012

(d) Books closure date : The Transfer Books and Register of Unitholders of FSL Trust will be closed at 5.00 p.m. on 31 January 2012 for the purposes of determining each unitholder's entitlement to the Distribution of US0.10 cents. Unitholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 31 January 2012 will be entitled to the Distribution to be paid on 28 February 2012.

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(e) Currency election procedures : Unitholders whose units are held directly through CDP will receive their distribution in the Singapore dollar equivalent of the US0.10 cents declared. Unitholders who wish to elect to receive the distribution in US dollars can do so by submitting a "Currency Election Notice" by 5.00 p.m. on 10 February 2012.

12. If no distribution has been declared/recommended, a statement to that effect

No distribution has been declared.

13. If the Group has obtained a general mandate from unitholders for Interested Party Transaction ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

FSL Trust does not have any unitholders' mandate for IPT.

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. Breakdown of Revenue and Net Profit

	Group		
	FY 2011	FY 2010	Inc/(Dec)
	US\$'000	US\$'000	%
(a) Revenue reported for first half year	52,552	52,960	(0.8)
(b) Net loss after tax reported for first half year	(2,486)	(5,420)	(54.1)
(c) Revenue reported for second half year	58,162	47,534	22.4
(d) Net profit after tax reported for second half year	7,537	(279)	N.M.

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17. Breakdown of the total distribution (in dollar value) for the financial year ended 31 December 2011

	FY 2011	FY 2010
	US\$	US\$
In respect of the period:		
1 July 2011 to 30 September 2011	6,219,318	
1 April 2011 to 30 June 2011	5,732,118	
1 January 2011 to 31 March 2011	5,687,318	
1 October 2010 to 31 December 2010	5,687,318	
1 July 2010 to 30 September 2010		5,687,318
1 April 2010 to 30 June 2010		5,687,318
1 January 2010 to 31 March 2010		8,979,976
1 October 2009 to 31 December 2009		8,979,976

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

There is no person occupying a managerial position in FSL Trust Management Pte. Ltd. ("FSLTM"), Trustee-Manager of First Ship Lease Trust, or any of its principal subsidiaries who is related to a director, chief executive officer or substantial shareholder of FSLTM.

19. Confirmation by the Board

The Board of FSLTM as Trustee-Manager of First Ship Lease Trust, has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group for the year ended 31 December 2011 to be false or misleading in any material aspect.

This announcement 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.

BY ORDER OF THE BOARD
 FSL TRUST MANAGEMENT PTE. LTD.
 (COMPANY REGISTRATION NO. 200702265R)
 AS TRUSTEE-MANAGER OF FIRST SHIP LEASE TRUST

Rebecca Cheng Pei Jiuan
 Company Secretary
 19 January 2012