



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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**For immediate release**

## **FURTHER INFORMATION ON ‘*EMPHASIS OF MATTER*’**

**Singapore, 28 February 2013** - FSL Trust Management Pte. Ltd. (“**FSLTM**”), as trustee-manager of First Ship Lease Trust (“**FSL Trust**” or the “**Trust**”), refers to the ‘*Emphasis of Matter*’ in the independent auditors’ report on FSL Trust’s audited financial statements for the year ended 31 December 2012 and wishes to provide further information.

FSLTM had previously secured a 12-month relaxation of two loan covenants, the security value-to-loan (“**VTL**”) ratio and the debt service coverage (“**DSC**”) ratio, from FSL Trust’s lenders. Such relaxation of these two loan covenants will expire on 30 June 2013<sup>1</sup>. In view of the uncertainties surrounding asset values and the challenging outlook of the shipping industry, FSLTM has commenced discussion with its lenders to resolve any potential breach of the original VTL and DSC ratio covenants after the relaxation period.

Mr. Philip Clausius, Chief Executive Officer of FSLTM said: “Any breach of loan covenants gives lenders contractual enforcement rights. Our experience during this prolonged shipping crisis has been that borrowers who are able to meet their scheduled principal and interest payments will stand in good stead in their discussions with their lenders to avert or cure technical breaches.

We are confident that the Trust’s existing vessel portfolio can continue to generate sufficient cash flows to service its scheduled quarterly principal and interest payments due to our lenders. In addition, we have also strengthened the Trust’s balance sheet by building up its cash reserves over the past year. We have strong relationships with our lenders and we remain in discussion with them to avoid any potential technical breach of these covenants after 30 June 2013.”

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<sup>1</sup> For more information, please refer to press release: “FSL Trust secures relaxation of loan covenants”, dated 30 June 2012.

FSLTM will make appropriate announcements as and when there are material developments in this matter.

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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 25 modern and high quality vessels, comprising seven containerships, 11 product tankers, three chemical tankers, two crude oil tankers and two dry bulk carriers.

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 vessels with leases, to increase predictable cashflow generation and to provide 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 (ADRs) are quoted on the PrimeQX tier of International OTCQX. FSL Trust is a component stock of the FTSE ST Maritime Index and the MSCI Global Micro Cap index.

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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 the current view of management on future events.*

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