



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For immediate release

FSL TRUST OBTAINS EXTENSION OF COVENANTS RELAXATION

Singapore, 10 June 2013 - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**") refers to the announcement dated 30 June 2012 entitled "FSL Trust Secures Relaxation of Loan Covenants" (the "**Announcement**"), and is pleased to announce that it has successfully secured an extension of the relaxation of its loan covenants by a further six months.

FSL Trust's lenders have granted the extension until 31 December 2013 based on the same covenant relaxation terms as described in the Announcement. During this period, the minimum security value-to-loan ratio is reduced to 100% and the debt service coverage ratio is relaxed to equal or greater than 1:1.

Under the conditions for the extension, the shares of all the vessel-owning Special Purpose Companies owned by FSL Trust will be pledged to the lenders. Additionally, the lenders may choose to review the relaxation if a majority of FSLTM's independent directors or any of its senior management executives resign or are replaced on an involuntary basis.

The Trust's vessel portfolio is expected to generate sufficient cash flows to service its quarterly loan amortisation of US\$11.0 million as well as interest payments. With sufficient cash on its balance sheet, the Trust will prepay an additional US\$10.0 million this quarter, which will further reduce its outstanding loan balance and lower its refinancing risk in 2017 when the loan matures.

Mr. Cheong Chee Tham, Senior Vice President and Chief Financial Officer of FSLTM said: "We are pleased that our lenders have consented to extend the relaxation of two of our loan covenants as freight rates and vessel values have yet to make a significant recovery. Although the Trust is restricted from paying any distributions in 2013, this extension will allow us to focus

our efforts on improving the financial position of the Trust and preserving value for all unitholders.”

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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 Depositary 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.

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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