



**FIRST SHIP LEASE TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

First Ship Lease Trust (“FSL Trust”) is a shipowner and a provider of leasing services on a bareboat charter basis to the international shipping industry and is listed on the Singapore Exchange Securities Trading Limited (“SGX”).

As at 30 June 2014, FSL Trust has a modern, high quality and diverse portfolio of 23 vessels consisting of seven containerships, eleven product tankers, three chemical tankers and two crude oil tankers. 16 vessels are employed on long-term bareboat charters as at 30 June 2014 and have a dollar-weighted average remaining lease period of approximately four years (excluding extension periods and early buy-out options). The remaining seven vessels are employed on time charter arrangement and in pool. The combined portfolio of 23 vessels has a dollar-weighted average age of approximately eight years.

Summary of FSL Trust Consolidated Results

	2Q 2014	2Q 2013	Inc/(Dec)	1H 2014
	US\$'000	US\$'000	%	US\$'000
Revenue	22,945	21,294	7.8	45,381
Profit/(Loss) for the quarter/period	1,000	(7,232)	N.M.	(3,952)
Net cash generated from operations	12,838	9,109	40.9	21,922

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1(a)(i) Consolidated Income Statements

	Note	Group					
		2Q 2014	2Q 2013	Inc/ (Dec)	1H 2014	1H 2013	Inc/ (Dec)
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue		22,945	21,294	7.8	45,381	44,341	2.3
Depreciation expense on vessels		(12,645)	(14,075)	(10.2)	(25,682)	(27,832)	(7.7)
Impairment loss on vessels		-	(3,134)	(100.0)	-	(3,134)	(100.0)
Voyage expenses		-	-	-	37	-	100.0
Vessel operating expenses		(3,908)	(3,536)	10.5	(9,847)	(6,623)	48.7
Management fees		(702)	(678)	3.5	(1,409)	(1,484)	(5.1)
Trustee fees		(31)	(38)	(18.4)	(64)	(77)	(16.9)
Other trust expenses		(632)	(879)	(28.1)	(1,452)	(1,483)	(2.1)
Impairment loss on available-for-sale financial assets	(a)	(89)	-	100.0	(89)	(5,298)	(98.3)
Results from operating activities		4,938	(1,046)	N.M.	6,875	(1,590)	N.M.
Finance income		6	21	(71.4)	11	43	(74.4)
Finance expenses		(3,945)	(6,207)	(36.4)	(9,416)	(12,729)	(26.0)
Loss on disposal of vessels	(b)	-	-	-	(1,405)	-	100.0
Profit/(Loss) before tax		999	(7,232)	N.M.	(3,935)	(14,276)	(72.4)
Income tax expense		1	-	100.0	(17)	(23)	(26.1)
Profit/(Loss) for the quarter/period		1,000	(7,232)	N.M.	(3,952)	(14,299)	(72.4)

Note:

- (a) This relates to an impairment loss recognised on FSL Trust's investment in TORM A/S ("TORM") due to a decline in the quoted price of the shares in TORM.
(b) This relates to the disposal of the two dry bulk carriers in March 2014.

1(a)(ii) Statements of Comprehensive Income

	Group			
	2Q 2014	2Q 2013	1H 2014	1H 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(Loss) for the quarter/period	1,000	(7,232)	(3,952)	(14,299)
Other comprehensive income				
Items that are or may be classified subsequently to profit or loss:				
Translation differences relating to financial statements of foreign subsidiaries	(167)	362	(112)	(378)
Exchange differences on monetary items forming part of net investment in foreign subsidiaries	(158)	(5)	(331)	(216)
Effective portion of changes in fair value of cash flow hedges	(2,601)	1,233	(2,603)	1,675
Net change in fair value of cash flow hedges transferred to income statement	2,433	2,018	4,418	4,064
Net change in fair value of available-for-sale financial assets	(2,349)	1,571	(1,812)	(1,239)
Net change in fair value of available-for-sale financial assets reclassified to income statement	89	-	89	5,298
Other comprehensive income, net of tax	(2,753)	5,179	(351)	9,204
Total comprehensive income	(1,753)	(2,053)	(4,303)	(5,095)

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1(a)(iii) Distribution Statements

	Note	Group			
		2Q 2014 US\$'000	2Q 2013 US\$'000	1H 2014 US\$'000	1H 2013 US\$'000
Profit/(Loss) for the quarter/period		1,000	(7,232)	(3,952)	(14,299)
Add: Non-cash adjustments		11,838	16,341	25,874	35,083
Net cash generated from operations		12,838	9,109	21,922	20,784
Less: Repayment of secured bank loans	(a)(i)	(8,500)	(11,000)	(17,000)	(22,000)
Prepayment of secured bank loans	(a)(ii)	-	(10,000)	(22,000)	(10,000)
Income available for distribution		4,338	(11,891)	(17,078)	(11,216)
Add: Utilisation of cash retained from previous periods		-	11,891	17,078	11,216
Less: Cash retained in the current period		(4,338)	-	-	-
Net distributable amount	(b)	-	-	-	-
Amount available for distribution		-	-	-	-
Comprising: (i) Tax-exempt distribution		-	-	-	-
(ii) Tax-exempt (one-tier) distribution		-	-	-	-
Amount to be distributed		-	-	-	-
Units at the end of the quarter ('000)		654,665	654,665	654,665	654,665
Distribution per unit (US Cents)		-	-	-	-

Notes:

- (a)(i) The sale of the two dry bulk vessels helped to reduce the cost of the debt service by US\$5.3 million across Q1 and Q2 2014, reducing the scheduled repayments of secured bank loans from US\$11.0 million to US\$8.5 million for each quarter including US\$0.3 million of additional net proceeds applied to Q2 2014.
- (a)(ii) Proceeds from the sale of the two dry bulk vessels applied towards reduction of the repayment of the loan in Q1 and Q2 2014. In Q2 2013 a negotiated prepayment of US\$10 million was paid to reduce the final balloon of loan.
- (b) In connection with a loan covenant relaxation from its lenders, FSL Trust is restricted from paying any distributions to unitholders until 31 December 2014. This has been the case since June 2012.

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1(b)(i) Statements of Financial Position

		30 Jun 2014		31 Dec 2013	
		Group	Trust	Group	Trust
Note		US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets					
Vessels		581,715	-	630,968	-
Subsidiaries		-	472,936	-	479,750
Available-for-sale financial assets		2,737	-	4,550	-
Derivative assets		189	189	233	233
		584,641	473,125	635,751	479,983
Current assets					
Inventories		-	-	1,185	-
Trade and other receivables		4,588	21,082	5,324	64,139
Cash and cash equivalents	(a)	19,853	13,117	20,367	12,091
		24,441	34,199	26,876	76,230
Total assets		609,082	507,324	662,627	556,213
Equity attributable to unitholders of FSL Trust					
Units in issue		525,412	525,412	525,412	525,412
Reserves		(264,079)	(360,308)	(259,776)	(351,832)
Total equity		261,333	165,104	265,636	173,580
Non-current liabilities					
Secured bank loans		295,093	295,093	-	-
Derivative liabilities		502	502	727	727
Deferred income		4,289	-	5,011	-
		299,884	295,595	5,738	727
Current liabilities					
Trade and other payables		661	865	6,335	1,020
Lease income received in advance		-	-	2,588	-
Derivative liabilities		1,760	1,760	3,394	3,394
Secured bank loans		44,000	44,000	377,492	377,492
Deferred income		1,444	-	1,444	-
		47,865	46,625	391,253	381,906
Total liabilities		347,749	342,220	396,991	382,633
Total equity and liabilities		609,082	507,324	662,627	556,213

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1(b)(i) Statements of Financial Position (cont'd)

Note:

(a) Cash and cash equivalents comprise:

	30 Jun 2014		31 Dec 2013	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Restricted cash [^]	10,000	10,000	10,000	10,000
Cash at Bank	6,983	3,024	7,499	1,998
Short-term deposits	2,870	93	2,868	93
Cash and cash equivalents	19,853	13,117	20,367	12,091
Less: Restricted cash	(10,000)	(10,000)	(10,000)	(10,000)
Cash and cash equivalents in the statement of cash flows	9,853	3,117	10,367	2,091

[^]This relates to a deposit placed with the security agent of the amortising term loan facility (see paragraph 1(b)(ii)).

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

	30 Jun 2014	31 Dec 2013
	US\$'000	US\$'000
Secured bank loans		
Amount repayable within one year	44,000	381,558
Amount repayable after one year	298,558	-
Less: Unamortised debt upfront fees	(3,465)	(4,066)
	339,093	377,492

The Trustee-Manager, on behalf of FSL Trust, secured a 6-year amortising term loan facility in December 2011 and the outstanding loan balance was US\$339.1 million as at 30 June 2014.

In February 2014, the lenders granted a loan covenant relaxation extension until 31 December 2014 ("Relaxation extension"), with the following additional conditions to be adhered to during the Relaxation extension.

- i) a cash sweep mechanism whereby if cash balances are over US\$20 million for two consecutive quarters (e.g. Quarter 1 and Quarter 2), the lesser of i) Quarter 1 cash balance less US\$20 million, or ii) Quarter 2 cash balance less US\$20 million, will be immediately applied against settlement of the loan outstanding.

The cash sweep only applies until the end of the relaxation period or when VTL reaches up to 125%, whichever is earlier;

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

- ii) an upfront fee of 5bps on the loan outstanding; and
- iii) Pledge of the shares of all the vessel-owning subsidiaries.

The original and relaxed covenants are as follow:

Covenants	Original	After Relaxation			
		1Q 2014	2Q 2014	3Q 2014	4Q 2014
VTL ratio	125%	105%	105%	110%	110%
Debt Service Coverage ratio	at least 1.10:1	at least 0.90:1	at least 0.95:1	at least 1.00:1	at least 1.10:1

Liquid Assets during the Relaxation Period shall be not less than the figures applicable for the specified periods in the schedules as follows:

Period	1Q 2014	2Q 2014	3Q 2014	4Q 2014
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Liquid Assets	11,500	17,500	20,000	20,000

Other Conditions imposed during the period of Relaxation extension include the retention of a US\$10 million security deposit with the security agent, and a levy of 2% per annum imposed on the shortfall amount. The shortfall amount is the difference between the outstanding loan balance and the theoretical loan balance assuming VTL ratio is 125%.

The interest margin of the term loan:

VTL ratio	Margin over US\$ 3-month LIBOR
>100% to 140%	3.0%
>140% to 180%	2.8%
>180%	2.6%

For 2Q 2014, the applicable margin over US\$ 3-month LIBOR was 3.0%. The VTL ratio will be assessed semi-annually.

As at 30 June 2014, the Trust is in compliance with the conditions relating to Relaxation extension.

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

The term loan 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;
- (iii) a first priority assignment of the Group's rights, title and interest in and to the charter agreements and the charter income of each vessel; and
- (iv) a pledge over the Group's shares in TORM.

FSL Trust has hedged part of 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 1.06% per annum to 1.65% per annum.

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1(c) Consolidated Cash Flow Statements

	Group			
	2Q 2014	2Q 2013	1H 2014	1H 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities:				
Profit/(Loss) before tax	999	(7,232)	(3,935)	(14,276)
Adjustments for:				
Depreciation expense on vessels	12,645	14,075	25,682	27,832
Impairment loss on vessels	-	3,134	-	3,134
Impairment loss on available-for-sale financial assets	89	-	89	5,298
Amortisation of debt upfront fees and initial direct costs	424	480	853	966
Amortisation of deferred income	(361)	(361)	(722)	(722)
Interest income	(6)	(21)	(11)	(43)
Interest expense	3,576	5,855	8,897	11,938
Loss on disposal of vessels	-	-	1,405	-
Unrealised exchange differences	(149)	(192)	(320)	(74)
	17,217	15,738	31,938	34,053
Changes in working capital:				
Trade and other receivables	1,360	(861)	(3)	326
Inventories	996	68	1,185	(67)
Trade and other payables	(7,571)	376	(4,726)	(611)
Lease income received in advance	(538)	810	(2,588)	(992)
Cash generated from operations	11,464	16,131	25,806	32,709
Income tax (paid)/refund	-	3	(17)	(37)
Cash flows from operating activities	11,464	16,134	25,789	32,672
Investing activities:				
Interest received	6	23	11	65
Net proceed on disposal of vessels	-	-	22,234	-
Costs incurred for dry-docking	(178)	-	(443)	-
Cash flows from investing activities	(172)	23	21,802	65
Financing activities:				
Distribution to unitholders	-	-	-	-
Repayment of secured bank loans	(8,500)	(11,000)	(17,000)	(22,000)
Prepayment of secured bank loans	-	(10,000)	(22,000)	(10,000)
Interest paid	(3,579)	(5,915)	(9,105)	(12,001)
Cash flows from financing activities	(12,079)	(26,915)	(48,105)	(44,001)
Net decrease in cash and cash equivalents	(787)	(10,758)	(514)	(11,264)
Cash and cash equivalents at beginning of period	10,640	26,982	10,367	27,488
Cash and cash equivalents at end of period	9,853	16,224	9,853	16,224
Comprising:-				
Cash at Bank	6,983	6,106	6,983	6,106
Short-term deposits	2,870	10,118	2,870	10,118
	9,853	16,224	9,853	16,224

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

	Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Fair value reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2014 Group						
At 1 April 2014	525,412	(1,905)	(1,543)	2,260	(261,138)	263,086
Total comprehensive income for the quarter	-	(168)	(325)	(2,260)	1,000	(1,753)
At 30 June 2014	525,412	(2,073)	(1,868)	-	(260,138)	261,333

	Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Fair value reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2013 Group						
At 1 April 2013	525,412	(9,811)	(3,371)	-	(198,040)	314,190
Total comprehensive income for the quarter	-	3,251	357	1,571	(7,232)	(2,053)
At 30 June 2013	525,412	(6,560)	(3,014)	1,571	(205,272)	312,137

	Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
2014 Trust				
At 1 April 2014	525,412	(1,905)	(353,873)	169,634
Total comprehensive income for the quarter	-	(168)	(4,362)	(4,530)
At 30 June 2014	525,412	(2,073)	(358,235)	165,104

	Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
2013 Trust				
At 1 April 2013	525,412	(9,811)	(324,237)	191,364
Total comprehensive income for the quarter	-	3,251	(6,533)	(3,282)
At 30 June 2013	525,412	(6,560)	(330,770)	188,082

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

	2Q 2014 Units	FY 2013 Units
At the beginning of the period	654,665,077	654,665,077
Units issued during the period	-	-
At the end of the period	654,665,077	654,665,077

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 been extracted from the condensed consolidated interim financial information which has been reviewed by the auditors in accordance with the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

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

The Auditors' review report on the condensed consolidated interim financial information for the quarter ended 30 June 2014, which contains an emphasis of matter, is enclosed in the Appendix.

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

Except for the change as disclosed in paragraph 5, 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 2013.

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

Depreciation on containerships - Ever Radiant and Ever Respect

The residual value of each of the two vessels was reviewed and revised.

The changes in residual value of the vessels constitute a change in estimates. The effects of the change were applied prospectively from January 2014. As a result of the change, depreciation expense for 2Q 2014 decreased by US\$0.9 million for the two vessels (1H 2014 : US\$1.8 million).

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

	Group			
	2Q 2014	2Q 2013	1H 2014	1H 2013
Basic and diluted earnings per unit is based on:				
Profit/(Loss) for the quarter/period (US\$'000)	1,000	(7,232)	(3,952)	(14,299)
Weighted average number of issued units (basic and diluted) ('000)	654,665	654,665	654,665	654,665
Basic and diluted earnings per unit based on weighted average number of units in issue (US Cents)	0.15	(1.10)	(0.60)	(2.18)
Number of issued units at end of quarter ('000)	654,665	654,665	654,665	654,665
Distribution per unit (US Cents)	-	-	-	-

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

	Note	30 Jun 2014		31 Dec 2013	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.40	0.25	0.41	0.27

Note:

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

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8. Review of Performance

The breakdown of the revenue (on a bareboat charter/bareboat charter equivalent (“BBCE”) basis) by the respective charter types and the net result from operations are as follows:

2Q 2014 vs 2Q 2013

	Group		
	2Q 2014	2Q 2013	Inc/(Dec)
	US\$'000	US\$'000	%
Rentals from vessels on bareboat charter	14,408	15,607	(7.7)
BBCE revenue of vessels on:-			
-Time charter	2,228	963	131.4
-Pool	2,212	1,113	98.7
Total bareboat charter/BBCE revenue	18,848	17,683	6.6
Less:			
Depreciation expense on vessels ¹	(12,456)	(14,000)	(11.0)
Impairment loss on vessels	-	(3,134)	(100.0)
Management fees	(702)	(678)	3.5
Trustee fees	(31)	(38)	(18.4)
Other trust expenses ²	(632)	(879)	(28.1)
Impairment loss on available-for-sale financial assets	(89)	-	100.0
Other operating expenses	(13,910)	(18,729)	(25.7)
Results from operating activities	4,938	(1,046)	N.M.
Finance income	6	21	(71.4)
Finance expenses	(3,945)	(6,207)	(36.4)
Profit/(Loss) before tax	999	(7,232)	N.M.
Income tax (expense)/write-back	1	-	100.0
Profit/(Loss) for the quarter	1,000	(7,232)	N.M.

¹ For this analysis, depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

² Included in the other trust expenses are vessel inspection fees, valuation fees, insurance, director fees, professional fees, take over costs, printing, investor relations and others.

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8. Review of Performance (cont'd)

a. Bareboat charter/BBCE revenue

Bareboat charter

Bareboat charter rentals declined by 7.7% (US\$1.2 million) to US\$14.4 million, mainly attributable to the sale of FSL Durban and Stella Fomalhaut in Q1 2014.

The rentals derived from the remaining 16 vessels under bareboat leases continued to support the overall earnings of FSL Trust.

Time charter

i) Product tanker

The two vessels (*FSL Hamburg* and *FSL Singapore*) are employed on time charter arrangements with Petróleo Brasileiro S.A. These vessels together generated a net time charter revenue of US\$2.7 million. After deducting vessel operating expenses, these vessels generated BBCE revenue of US\$1.6 million in the quarter under review.

ii) Crude oil tanker

Following its redelivery on 15 July last year, *FSL Shanghai* was deployed on a short-term time charter arrangement and generated a BBCE revenue of \$0.6 million in the quarter under review.

Pool/RSA

i) Chemical tanker

The three chemical tankers are employed in 'Nordic Tankers 19,000 Stainless Steel Pool'. Collectively, these vessels generated net pool revenue of US\$3.5 million. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$1.7 million in the quarter under review.

ii) Crude oil tanker

FSL Hong Kong, employed on a RSA (Revenue Sharing Agreement) since December 2013, generated a BBCE revenue of US\$0.5 million in the quarter under review.

b. Other operating expenses

Other operating expenses declined 25.7% (US\$4.8 million) to US\$13.9 million due mainly to:

- Lower depreciation expenses of US\$1.5 million arising from changes in the expected useful life and residual value for certain vessels taken last year.

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- Upon re-assessment of the recoverable amount, it was assessed that the carrying amounts of Aqua and Action (renamed FSL Hong Kong and FSL Shanghai) had exceeded the recoverable amount and an impairment loss of US\$3.1 million for both vessels was recognized in Q2 2013. No impairment loss on vessel in the quarter under review.
- In Q2 2013, vessel-related expenses of US\$0.3 million were incurred for the redelivery of Aqua and Action (renamed FSL Hong Kong and FSL Shanghai). No redelivery expenses incurred for the quarter under review.
- Available-for-sale financial assets relate to the shares in TORM received by FSL Trust as part of an agreement to permanently amend the terms on its two charter contracts. In 2Q 2014, an impairment loss of US\$0.1 million was recognised due to a decline in the quoted price of the shares in TORM.

c. Results from operating activities

On an overall basis, FSL Trust generated an operating profit of US\$4.9 million in this quarter as compared to a loss of US\$1 million over the same period last year.

d. Finance expenses

Finance expenses in 2Q 2014 excluding exchange gain of US\$133,000 (2Q 2013: exchange gain of US\$187,000) decreased 36.4% (US\$2.3 million) mainly due to:

- lower outstanding indebtedness arising from prepayment of US\$22 million in Q1 2014.
- the termination of high cost interest rate SWAPs resulting in lower finance expense.

For 2Q 2014, FSL Trust achieved net profits of US\$1.0 million.

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

The 2Q 2014 results demonstrate that the performance of the assets managed by FSL Trust has improved significantly. The bareboat charters continue to provide strong and stable cash flows with the improved management of the redelivered vessels driving better performance. This improvement continues to be a focus of the management team. The agreement and execution of a further covenant relaxation agreement until the end of the year illustrates that the Trust's lenders support the restructuring efforts of the management team.

**FIRST SHIP LEASE TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

11. Distribution

(a) Current financial period

Any distributions declared for the : No
current financial period

(b) Corresponding Period of the Immediate Preceding Financial Period

Any distributions declared for the : No
previous corresponding period

12. If no distribution has been declared/recommendeded, 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. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial results of the Group for the quarter ended 30 June 2014 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

Alan Hatton
Chief Executive Officer
14 August 2014