



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

FSL Trust announces its eighth consecutive profitable and cash-flow positive quarter, with revenue up 8% year-on-year

- 1QFY16 revenue higher by 8% at US\$26.7 million against US\$24.8 million for 1QFY15
- US\$2.3 million net profit despite a US\$4.2 million loss on disposal of two vessels
- Net cash generated from operations higher by 14% over 1Q2015 at US\$16.1 million
- The Trust's eighth consecutive profitable and cash-flow positive quarter

Singapore, 4 May 2016 – FSL Trust Management Pte. Ltd. ("FSLTM"), as trustee-manager of First Ship Lease Trust ("FSL Trust" or "the Trust") reported solid performance for the Trust's first quarter ended 31 March 2016 ("1QFY16").

1QFY16 revenue of US\$26.7 million was 8% higher year-on-year against US\$24.8 million in the FY2015 first quarter ("1QFY15"). The revenue increase was achieved despite the disposal of two panamax containerships in February this year.

Net cash generated from operations of US\$16.1 million for 1QFY16 was 14% higher than the US\$14.2 million recorded for 1QFY15.

The Trust achieved a net profit of US\$2.3 million despite a US\$4.2 million loss on disposal of the two panamax vessels and a US\$1.5m per quarter increased depreciation charge applied against other vessels. These results represent the eighth consecutive quarter of profitability.

Commenting on the Trust's performance, Alan Hatton, Chief Executive Officer of FSLTM said:

"The financial performance of the Trust continues to improve. 2015 was a great year and 1Q2016 has built on last year's achievements. That 1Q2016 was profitable, despite incurring a US\$4.2 million loss on disposal of the old panamax container vessels sold in February, is testament to the hard work of the team at the Trustee-Manager in improving the commercial revenues of the fleet while keeping a keen eye on costs and expenses."

"In 1QFY16, bareboat charter equivalent ("BBCE") revenue grew by 5% year-on-year to US\$20.2 million. This improvement reflects the higher earnings achieved by vessels employed on time charter and in pools, despite lower bareboat charter revenue following some long-term contract renewals at market rates and the sale of the "Ever Radiant" and "Ever Respect" following their redelivery in January 2016."

“The Trust continues to perform strongly. The balance sheet has been strengthened and the Trust’s gearing has been reduced. Despite a challenging shipping environment, the Trust’s diversification and strong mix of secure long-term charters and managed market exposure in better performing sectors, leaves us well positioned in this market.”

1QFY16 Results Conference Call

FSLTM will host a conference call for all registered participants on Thursday, 5 May 2016 at 10.00 am (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 from 12.00 pm (Singapore time) on Friday, 6 May 2016.

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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 shipowner and a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has a diversified portfolio of 22 modern and high-quality vessels, comprising five containerships, 12 product tankers, three chemical tankers and two crude oil tankers. 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.

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.

Contacts:

Ms. Stella TAN
Bell Pottinger
Telephone: +65 6333 3449
Email: stan@bellpottinger.com / FSLTrust@bellpottinger.com