



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FSL Trust records profitable 1Q17 operations, net profit and continued positive net cash generation. Roger Woods confirmed as Chief Executive Officer

Singapore, 3 May 2017 – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), reported a net profit of US\$3.4 million for the three months ended 31 March 2017 (“1QFY17”), compared to US\$2.3 million reported in 1QFY16.

This positive result was achieved despite challenging industry conditions and a 17.7% decline in revenue to US\$21.9 million for 1QFY17, compared with US\$26.7 million reported in 1QFY16. The decrease in revenue is primarily due to the dry-docking of two crude oil tankers in 1QFY17, a smaller fleet following the disposal of two panamax containerships in February 2016, and overall lower market rates. Consequently, net cash generated from operations declined by 22.9% from US\$16.1 million in 1QFY16 to US\$12.4 million in 1QFY2017. Nevertheless, these results represent continued positive cash generation and profitability for the Trust.

Roger Woods was today confirmed as Chief Executive Officer of FSLTM. He said:

“We are pleased to report a profitable and cash positive quarter in spite of the volatile and difficult operating environment across various shipping markets. As part of our ongoing efforts to secure quality contract cover for our fleet, we have successfully employed *FSL Hong Kong* in the Teekay Group Revenue Sharing Agreement following its dry-docking in March 2017. This arrangement builds on our partnership with the world’s largest Aframax owner, which began in 2013, and it provides the Trust with the flexibility to capitalise on market upsides that may arise in the future. In addition, we signed extension agreements for the bareboat charters for *Speciality*, *Superiority* and *Seniority* in April 2017. Thus, although shipping markets across all sectors will remain under pressure in the near term, our careful management of the charter book continues to provide some insulation for the Trust from current market volatility.”

The Board of Directors is committed to improving the structure of the Trust’s balance sheet, and continues to explore as a matter of the highest priority the Trust’s options in respect of securing a refinancing of the Trust’s outstanding debt.

Addressing the refinancing priority, the Board of Directors stated:

“The Board and Management have acted proactively on the refinancing issues to ensure the long-term stability of the Trust amid the volatility and reduction in vessel values. On 28 April 2017, a term sheet was entered into with Navios Maritime Holdings Inc. (“Navios”) for the proposed acquisition of over 154 million units representing approximately 24.23% of issued units in the Trust from FSL Holdings. Under the term sheet, Navios will also extend a US\$20

million second priority mortgage convertible loan to the Trust. Navios currently controls a diversified fleet of over 170 vessels, and we believe that this agreement with an established industry player will place the Trust on a stronger footing to secure the refinancing.”

1QFY17 Results Conference Call

FSLTM will host a conference call for all registered participants on Thursday, 4 May 2017 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, 5 May 2017.

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About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI)

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).

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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