



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

Post syndicated loan refinancing, FSL Trust continues positive net cash generation for 3QFY18 despite continuing challenging market conditions.

	3Q18 [US\$'000]	3Q17 [US\$'000]	Inc/(Dec) [%]	YTD SEP 2018 [US\$'000]	YTD SEP 2017 [US\$'000]	Inc/(Dec) [%]
Revenue	14,983	18,705	(19.9)	48,504	61,603	(21.3)
Operating Expenses	(14,621)	(38,183)	(61.7)	(42,957)	(95,099)	(54.8)
Net Operating Profit/Loss	362	(19,478)	N.M.	5,547	(33,496)	N.M.
Net Profit/Loss	(2,082)	(21,653)	(90.4)	(446)	(40,014)	(98.9)

Singapore, 1 November 2018 – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announces its results for the third quarter and nine month period ended 30 September 2018 (“3QFY18”).

The Trust generated revenue of US\$15.0 million for 3QFY18, a 19.9% decline compared to US\$18.7 million reported in 3QFY17. The reduction in revenue is primarily due to ongoing rate pressures across all shipping markets, reduction in fleet, as well as time lost due to post redelivery repairs of two LR2 vessels, *FSL Piraeus* and *FSL Perth*.

For this third quarter, the Trust saw a reduction of 61.7% in operating expenses, from US\$38.2 million in 3QFY17 to US\$14.6 million in 3QFY18. This is due to a one-time impairment charge of US\$22.2 million incurred in 3QFY17 and reduction in fleet. The result of lower operating expenses in 3QFY18 is a net operating profit of US\$0.4 million as compared to a net operating loss of US\$19.5 million over the same period last year.

The Trust has seen a significantly reduced net loss of US\$2.1 million in 3QFY18, compared to a net loss of US\$21.7 million (including impairment charge) incurred during 3QFY17.

Commenting on the results, Roger Woods, Chief Executive Officer, said:

“The Trust continues to improve its operational performance reporting a positive net operating profit and continued cash generation, despite the challenging market conditions. We remain committed to establishing a strong operational foundation for the ongoing stability of the Trust.”

Commenting on the 3QFY18 results, Stathis Topouzoglou, Non-Independent Non-Executive Chairman of the Trust, said:

“We remain committed to working closely with the management team. Through our industry network and relationships, we will continue to strengthen the operational and financial performance of the Trust. Our efforts will continue to be focused on delivering value to Unitholders.”

END

3QFY18 Results Conference Call

FSLTM will host a conference call for all registered participants on Friday, 2 November 2018 at 3:30 pm (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 Monday, 5 November 2018.

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

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a fleet of vessels across major shipping sub-sectors. FSL Trust presently has a diversified portfolio of 19 well-maintained oceangoing, comprising three containerships, twelve product tankers, two chemical tankers and two crude oil tankers. FSL Trust is listed on the main board of the Singapore Exchange.

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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