



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 POSITIONS VESSEL PORTFOLIO FOR STABILITY AND OPPORTUNITIES AHEAD; KEEPS 1QFY12 DPU AT US0.10¢

- Revenue rose 9.3% to US\$26.1 million despite loss of bareboat charter revenue from three chemical tankers leased to BLT
- Revenue contribution from chemical tankers to be deployed in the 'Nordic Siva' pool and product tanker to be chartered to Petrobras expected to kick in from 2QFY12
- Vessels on spot and short-term charter complement long-term bareboat charters that continue to provide a stable revenue base for the Trust

Singapore, 24 April 2012 - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**"), announced today the financial results of FSL Trust for the quarter ended 31 March 2012 ("**1QFY12**").

Revenue for 1QFY12 rose US\$2.2 million or 9.3% year-on-year to US\$26.1 million. The net increase in revenue was contributed by the full quarter lease revenue from the two vessels leased to TORM A/S ("**TORM**") which were acquired in June 2011, as well as higher freight income from the vessels trading in the spot market. This was partially offset by the loss in bareboat charter revenue from the three chemical tankers previously leased to PT Berlian Laju Tanker Tbk ("**BLT**").

However, the Trust posted a net loss of US\$4.2 million for 1QFY12 against a net loss of US\$2.0 million in the previous year. This weaker performance was largely due to the default of lease payments by BLT in February 2012. As a result, against the corresponding quarter last year, cash generated from operations declined by 14.7% to US\$9.8 million.

Excluding voyage and vessel operating expenses of US\$5.3 million, operating expenditure increased by 6.7% year-on-year to US\$17.0 million. The higher expenditure was due mainly to a one-off expense of US\$0.8 million relating to the redelivery of the three chemical tankers from BLT to FSL Trust.

In light of the weak market outlook for 2012, the Trust continues to be prudent. To conserve cash, the Trust maintains a total distribution of US\$0.7 million or distribution per unit (“DPU”) of US0.10¢ to its unitholders for 1QFY12.

UPDATE ON THREE CHEMICAL TANKERS TO BE DEPLOYED IN A POOL

Within six weeks after the payment default by BLT, FSLTM acted promptly to repossess the three chemical tankers that were leased to them. This enabled the Trust to immediately redeploy them under the commercial management of Copenhagen-based Nordic Tankers Management A/S (“**Nordic Tankers**”), thereby minimising the loss in lease revenue. The chemical tankers are expected to enter the ‘Nordic Siva’ pool managed by Nordic Tankers within the second quarter of 2012 (“**2QFY12**”).

Excluding the impact of the loss in lease revenue from BLT, the three chemical tankers generated a bareboat charter equivalent loss of US\$0.9 million for 1QFY12 due to the mismatch in recognition of freight income and expenses. For vessels trading in the spot market, freight income can only be recognised upon completion of the voyage and/or cargo discharge. In 1QFY12, voyage and vessel operating expenses incurred by all three chemical tankers were accrued whilst corresponding freight income for only one vessel was recognised. The remaining two chemical tankers completed their voyages in mid-April 2012 and the respective freight income will be recognised in 2QFY12.

UPDATE ON PRODUCT TANKERS ‘FSL SINGAPORE’ AND ‘FSL HAMBURG’

The two product tankers, ‘FSL Singapore’ and ‘FSL Hamburg’, were deployed in the product tanker spot market during the quarter and generated a bareboat charter equivalent revenue of US\$0.4 million compared to a loss of US\$1.1 million in the previous year. FSL Trust has recently reached an agreement with Petróleo Brasileiro S.A. (“**Petrobras**”) to charter ‘FSL Singapore’ at a gross fixed rate of US\$14,000 per day under a three-year time charter and commencement of the charter is expected within 2QFY12¹.

¹ Subject to physical inspection of the vessel by Petrobras.

OUTLOOK

Mr Philip Clausius, Chief Executive Officer of FSLTM said: “We are pleased to secure the three-year time charter contract with Petrobras for ‘FSL Singapore’ and are bidding for a similar contract for ‘FSL Hamburg’. With continued volatility in the industry, the fixed-rate time charter contract will bring further stability to our cash flows.

In this current difficult environment, we will have to remain nimble and flexible to make the right decisions for the short-term and long-term. Our long-term bareboat charters will continue to provide a stable revenue base while our vessels trading on spot give us the opportunity to position ourselves for the upturn.

The entire shipping industry is going through an extraordinary down cycle and we appreciate the backing of our bankers and the patience of our unitholders during this difficult time. Even as we work to improve returns, we have also undertaken to conserve our capital and strengthen the balance sheet to ensure a sustainable future for FSL Trust and all stakeholders.”

Further to the Trust’s earlier announcement regarding the two product tankers leased to TORM², the Trust’s lenders have given their consent and support to the realignment of charter terms. Revenue contribution from the two product tankers is expected to be reduced to variable rates that TORM achieves in the market, subject to approval of TORM’s other stakeholders.

Conference Call for 1QFY12 Results

FSLTM will host a conference call for all registered participants on Wednesday, 25 April 2012 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 12.00pm (Singapore time) on Thursday, 26 April 2012.

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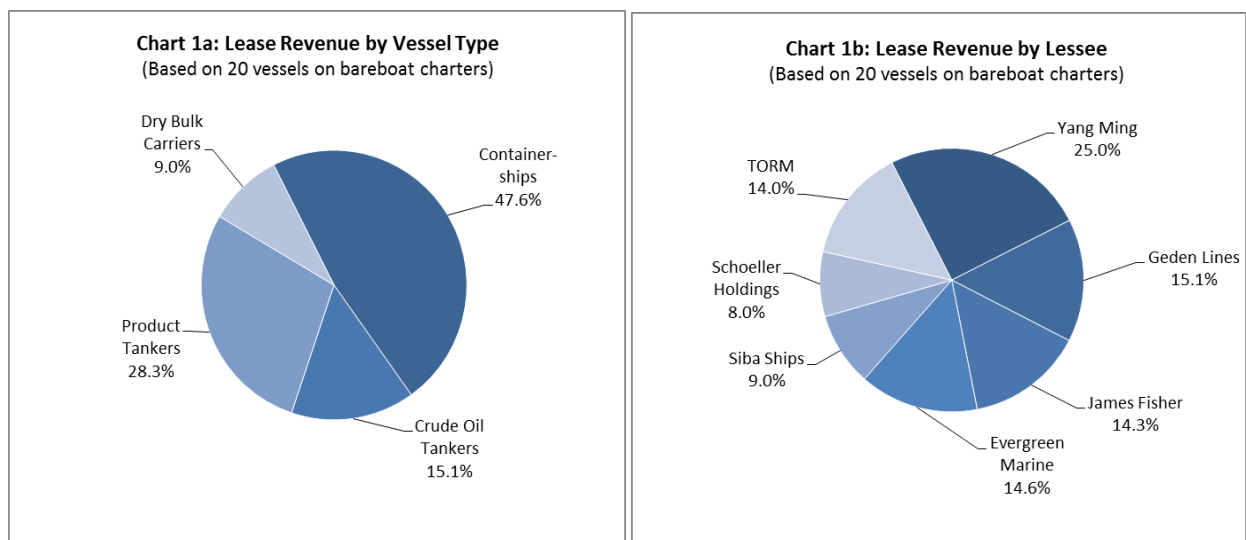
² FSL Trust’s press release: “FSL Trust renegotiates charter terms for TORM product tankers”, dated 10 April 2012.

APPENDIX

A. Summary of FSL Trust Consolidated Results

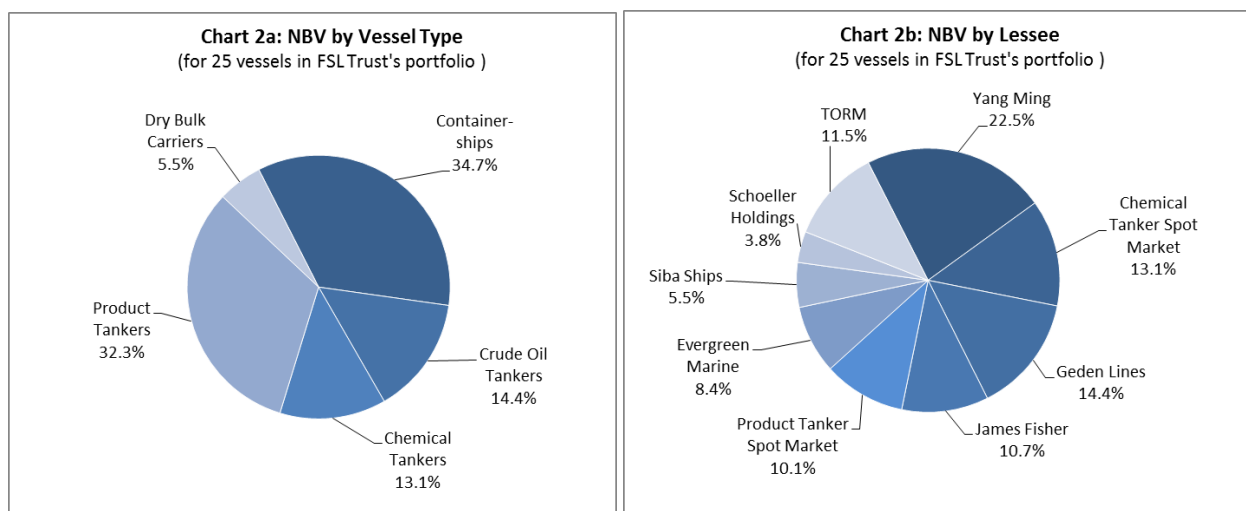
	1Q 2012 US\$'000	1Q 2011 US\$'000	Inc/(Dec) %	FY 2011 US\$'000
Revenue	26,081	23,852	9.3	110,714
Loss for the quarter	(4,168)	(1,995)	N.M.	(17,066)
Net cash generated from operations	9,844	11,539	(14.7)	63,846
Net Distributable Amount	654	5,687	(88.5)	18,293
Amount to be distributed	654	5,687	(88.5)	18,293
Distribution Per Unit ("DPU") (US Cents)				
For the period	0.10	0.95	(89.5)	2.95
Annualised	0.40	3.80	(89.5)	-

B. Revenue by Vessel Type and By Lessee for the 20 Vessels on Long-Term Bareboat Charter



Note: Based on actual lease revenue for 1Q 2012.

C. Net Book Value by Vessel Type and By Lessee/Deployment for the Trust's 25 Vessels



Note: Net book value as at 31 March 2012 is US\$766.7 million.

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 cash flow 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 Depository 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.

Contacts:**FSL Trust Management Pte. Ltd.**

Ms. Wylun LIU

Telephone: +65 6500-9087

email: wliu@firstshiplease.com

OakTree Advisers

Ms. Rita CHAY

Telephone: +65 6100-1811

Email: ritachay@oaktreadvisers.com