



**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

**IMPORTANT TAX NOTICE RE: 2015 PFIC STATUS**

**U.S. PFIC Information for U.S. Unitholders of First Ship Lease Trust**

This statement and the Annual Information Statement below is provided for unitholders of First Ship Lease Trust (the "Trust") that have an obligation to file a U.S. income tax return under the U.S. Internal Revenue Code ("IRC") of 1986, as amended and the regulations thereunder. It is not relevant to other unitholders.

The Trust expects to be classified as a Passive Foreign Investment Company ("PFIC") as defined in IRC Section 1297(a) for the year ended December 31, 2015, expects that it was a PFIC for all prior fiscal years and expects that it may also be a PFIC in subsequent years. The Trust is hereby making available a PFIC Annual Information Statement for the year ended December 31, 2015 pursuant to Treasury Regulations 1.1295-1(g)(1).

The PFIC Annual Information Statement contains information to enable you, should you so choose based on the advice of your tax advisors in light of your personal tax circumstances, to elect to treat your investment in the Trust as a Qualified Electing Trust ("QEF").

A U.S. unitholder who makes a QEF election is required to annually include in his or her income his or her pro rata share of the ordinary earnings and net capital gains, whether or not any amount has been distributed to unitholders. If you do not elect to treat your investment as a QEF, then if the Trust is a PFIC for any year during your holding period, adverse tax consequences could result.

The QEF election is generally made on Form 8621 ("Return by a Unitholder of a Passive Foreign Investment Company or Qualified Electing Trust") on or before the due date, including extensions, for the income tax return with respect to the tax year to which the election relates.

To ensure compliance with Treasury Department Circular 230, you are hereby notified that anything contained in this notice concerning any U.S. federal tax issues is not intended or written to be used, and it cannot be used by a U.S. holder, for the purpose of (i) avoiding federal tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to any party any matters addressed herein.

This information is provided in order to assist unitholders in making calculations and does not constitute tax advice. The U.S. tax laws regarding PFICs are extremely complex and unitholders are advised to consult their own tax adviser concerning the overall tax consequences of their respective investment in, and ownership of shares of the Trust under U.S. federal, State, local and foreign law.

Further information in PFIC rules is available on the internet at the Internal Revenue Service website.

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Singapore 038989

PFIC ANNUAL INFORMATION STATEMENT

1. This statement applies to the taxable year of First Ship Lease Trust (the “**Trust**”) that began January 1, 2015, and ended December 31, 2015 (the “**Taxable Year**”).

2. (a) The Trust’s per day, per share of ordinary earnings (as defined in section 1293(e) of the Internal Revenue Code of 1986, as amended, and determined in accordance with Treas. Reg. § 1.1293-1(a)(2)(i)(C)) for the Taxable Year were:

\$0.000038864

Your pro-rata share of ordinary earnings can be determined by multiplying the number of units you held on each day of the Taxable Year by the above ordinary income figure, and adding the resulting sums. If you have held the same number of units each day during the Taxable Year, simply multiply the number of units by the ordinary income figure and multiply the result by 365 (days).

(b) The Trust’s per day, per share of net capital gain (as defined in Treas. Reg. § 1.1293-1(a)(2)) for the Taxable Year was:

\$0.00

3. The Trust did not distribute any cash or property to you (excluding redemption proceeds you received, if any) during the Taxable Year.

4. The Trust will permit you to inspect and copy its permanent books of account, records, and other documents it maintains that are necessary to establish that its ordinary earnings and net capital gain enumerated above are computed in accordance with U.S. federal income tax principles and to verify those amounts and your pro rata share thereof.

**FSL Trust Management Pte. Ltd.**

(as Trustee-Manager for First Ship Lease Trust)



By: Alan Hatton  
Title: Chief Executive Officer  
Date: 01 August 2016