



First Ship Lease Trust

1QFY12 Results Presentation



FSL Trust Management Pte. Ltd.
as Trustee-Manager for FSL Trust

www.FSLTrust.com
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Disclaimer



Certain statements in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “plan”, “potential”, “may”, “should”, “expect”, “pending”, and similar expressions identify forward-looking statements.

Forward-looking statements also include statements about our future growth prospects. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding our earnings, our ability to manage concentration and lessee credit risks, our ability to lease out or dispose vessels, our ability to implement our investment strategy, our dependence on credit facilities and new equity from capital markets to execute our investment strategy, the possibility of insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, our dependence on key personnel, FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSL Trust”), our short operating history, the lack of historical financial history for the Trust, the risk of government requisitions during periods of emergency or war, the possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, and the cyclical nature of the industry and fluctuations in vessel values. For further information, please see the documents and reports that we file with the Singapore Stock Exchange.

FSL Trust may, from time to time, make additional written and oral forward-looking statements, including our reports to unitholders. We do not undertake to update any forward-looking statements that may be made from time to time by or on behalf of FSL Trust.

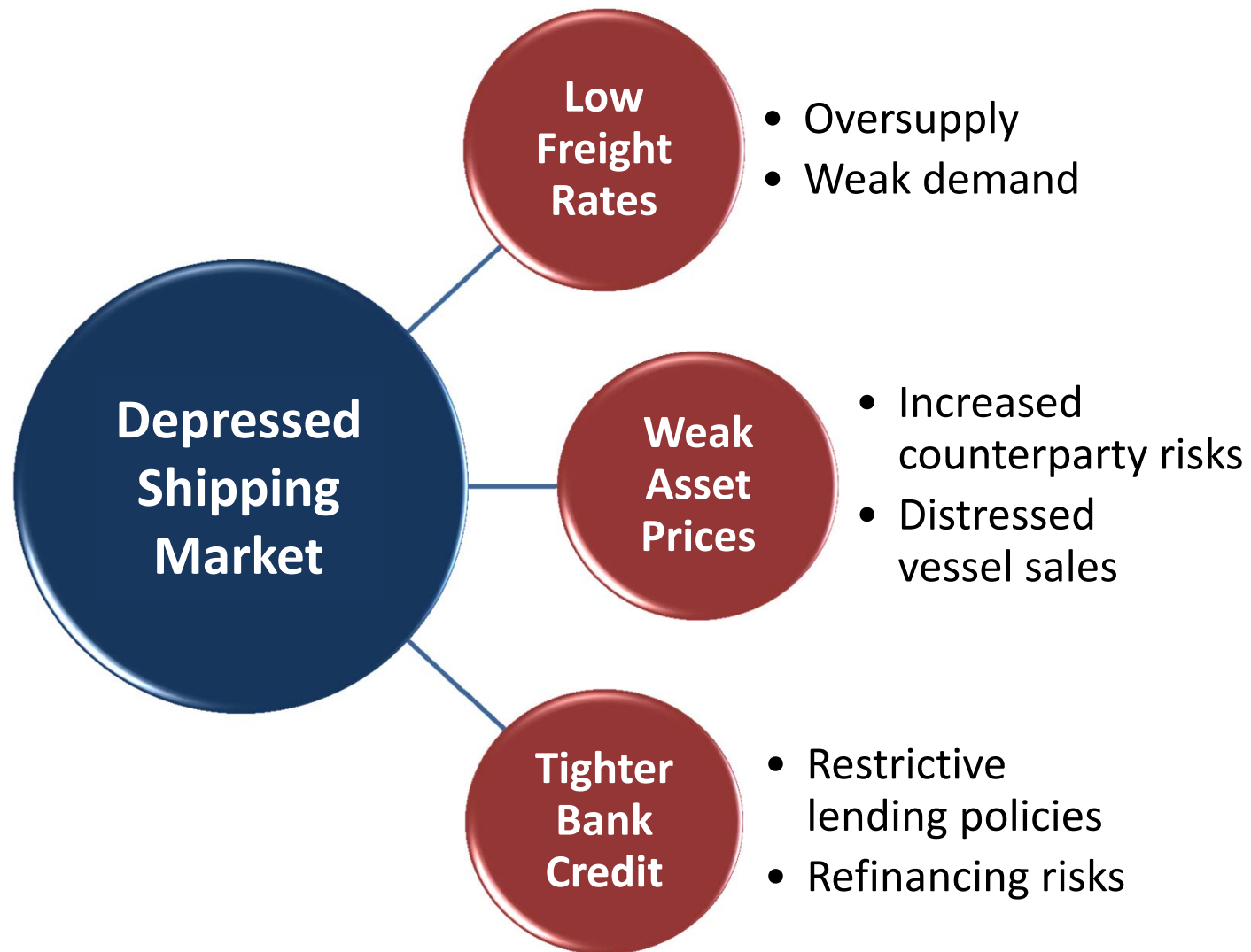
Changing Tack in Extraordinary Times



Agenda

- **Strategy & Position**
- **Managing Our Fleet**
- **Prospects**
- **1QFY12 Financial Review**

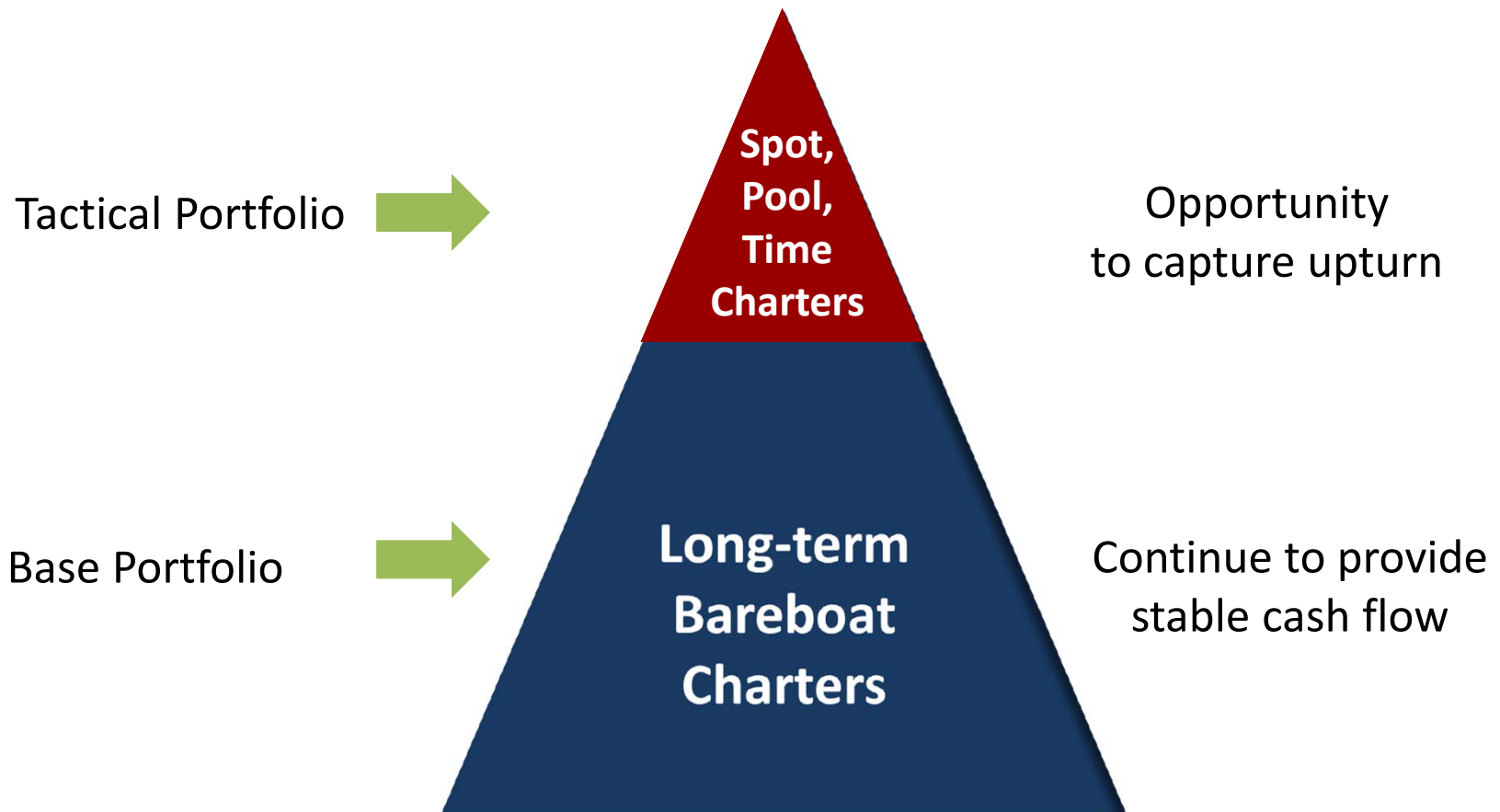
Extraordinary Times in Shipping



Staying Nimble and Flexible



Maintain diversified portfolio across shipping segments & customers
Will largely focus on long-term bareboat charters



Being Prudent



- Preserve capital and maintain healthy balance sheet
- Manage loan covenants with banks
- Keeping DPU at US0.10¢ for the time being

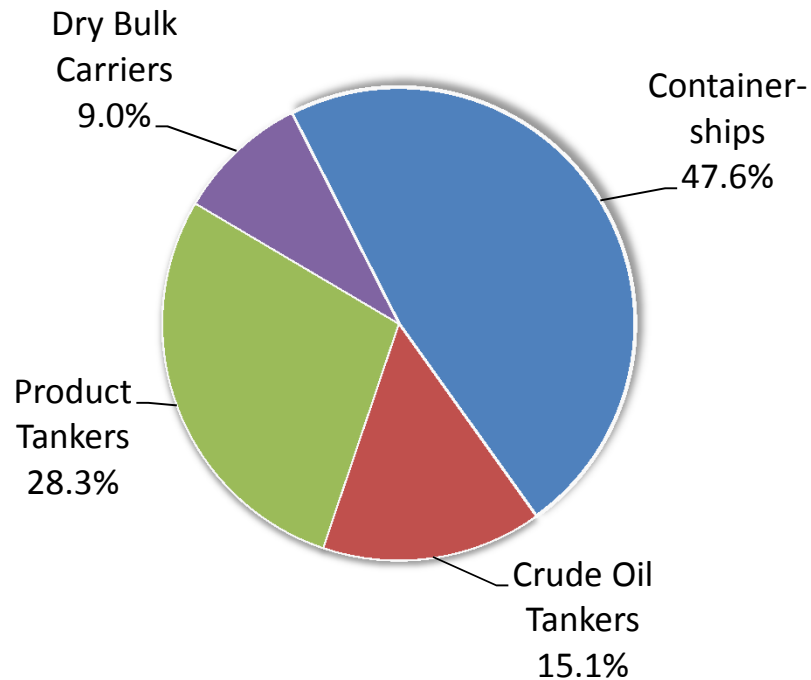


Strength in Diversified Portfolio

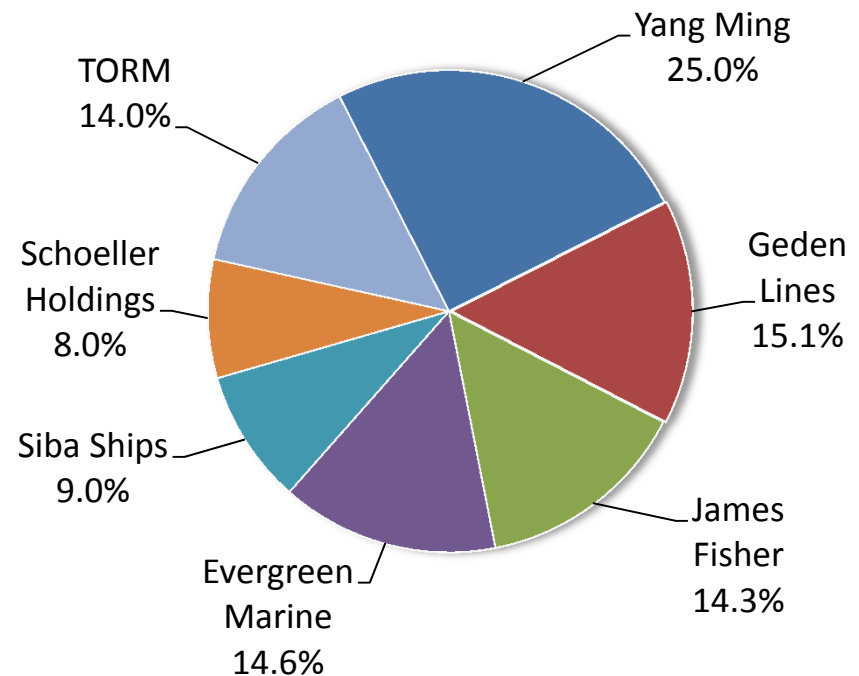


Ship Owner, Not Lender

Lease Revenue[^] by Vessel Type



Lease Revenue[^] by Lessee



[^] Based on actual lease revenue for 1QFY12 for 20 vessels on bareboat charters.

Playing on Our Strengths



- High quality vessels
- Young (average age 6.5 years) and deployable fleet
- Long remaining useful economic life with good earnings capability
- Lender support remains, reflects confidence despite tough market



Opportunity to Capture Upturn

~ TORM Vessels



- Cancels early buyout, purchase and lease extension options
- Aligns charter rates to variable rates that TORM achieves on spot
- Trust will be allocated equity in TORM
- Termination option in the event actual rates underperform the market benchmark by pre-agreed margin, tested semi-annually
- Trust's lenders have given approval
- Terms are still subject to approval of TORM's other stakeholders

Working in Pool & Time-Charter



Chemical Tankers - FSL New York, FSL London & FSL Tokyo

- Quick action led to fast redelivery from BLT
- 'Nordic Siva' pool managed by Nordic Tankers
- Monthly distribution of net earnings to participants in pool
- Exploring legal options on our residual claims against BLT

FSL Singapore to be chartered to Petrobras

- Expect to commence 3-year time charter with Petrobras in 2QFY12
- Gross daily rate of US\$14,000
- Bidding for a similar contract for 'FSL Hamburg'

We Are Here to Stay



Vessels positioned for upturn

- Vessels on spot able to ride the upside

Attractive Asset Prices

- Earnings accretive acquisitions

Bank credit tightening

- Alternative financing opportunities

1QFY12 Results Highlights



Financial Highlights (US\$'000)	1QFY12	1QFY11	Y-O-Y % change
Revenue	26,081	23,852	9.3
Loss after tax	(4,168)	(1,995)	N.M
Net cash from operations	9,844	11,539	(14.7)
Amount to be distributed	654	5,687	(88.5)
Distribution per unit (US¢)	0.10	0.95	(89.5)

- Revenue +9.3% to US\$26.1m
 - Full quarter contribution from two product tankers leased to TORM
 - Higher freight income from the vessels trading on spot
 - Despite loss in bareboat charter revenue from three chemical tankers previously leased to BLT (redelivered in February 2012)

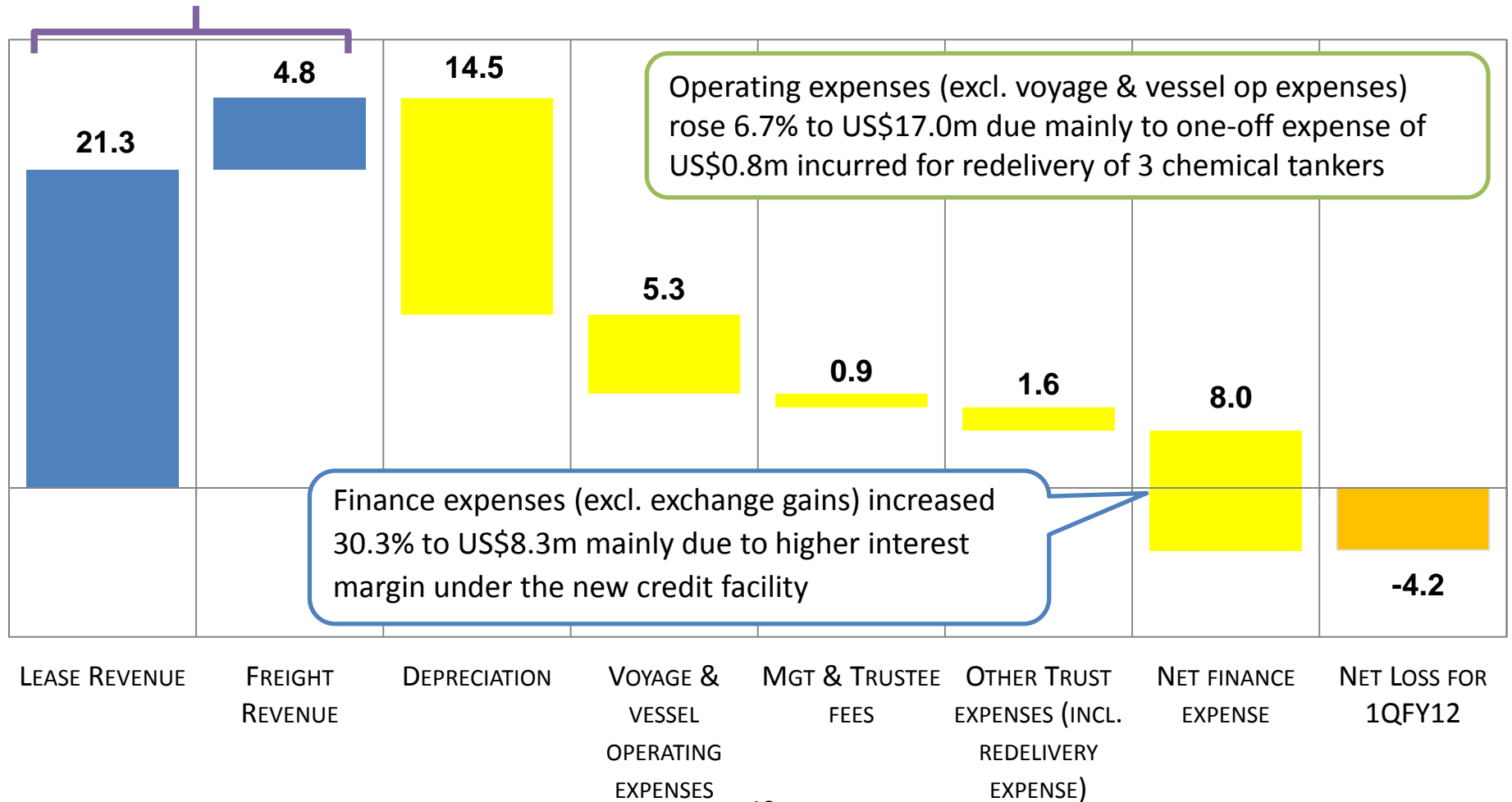
Higher Expenses Impact Profits



1QFY12 Income Statement Highlights

US\$ Millions

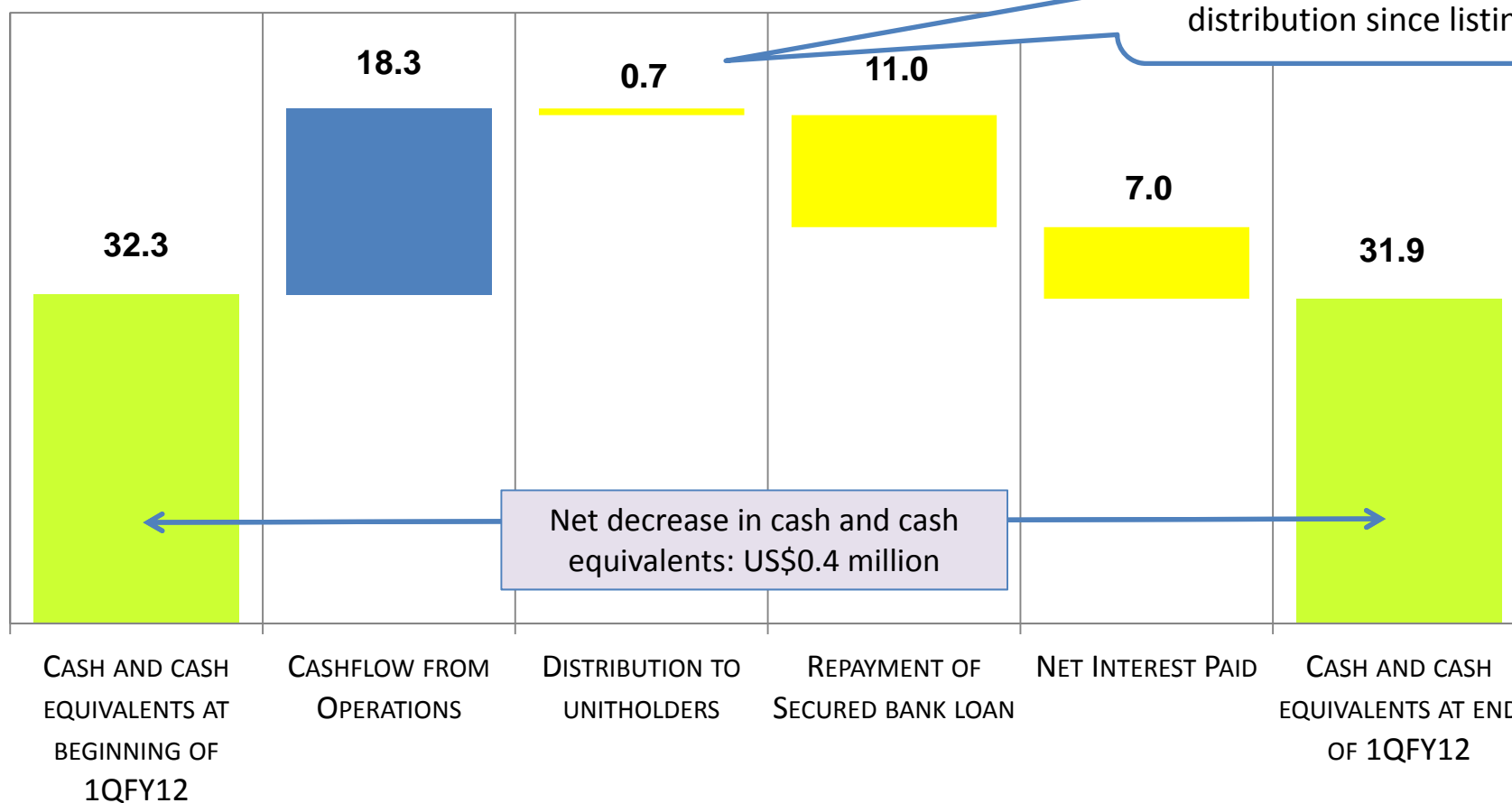
Total Revenue
US\$26.1m



Vigilant Cash Management



1QFY12 Cash flow Highlights US\$ Millions



- Kept DPU at US\$0.10¢
- 20th consecutive distribution since listing

Two Product Tankers

~ Enjoyed Better Spot Rates



(US\$m)	1QFY12	1QFY11
Freight Income	4.54	3.08
Voyage Expenses	(2.89)	(2.98)
Time-Charter Equivalent Revenue	1.65	0.10
Less: Crew Cost, Vessel Maintenance & other Operating Expenses	(1.27)	(1.24)
Bareboat Charter Equivalent Revenue	0.38	(1.14)

- FSL Hamburg and FSL Singapore generated higher freight income in 1QFY12
- FSL Singapore to be time chartered to Petrobras within 2QFY12

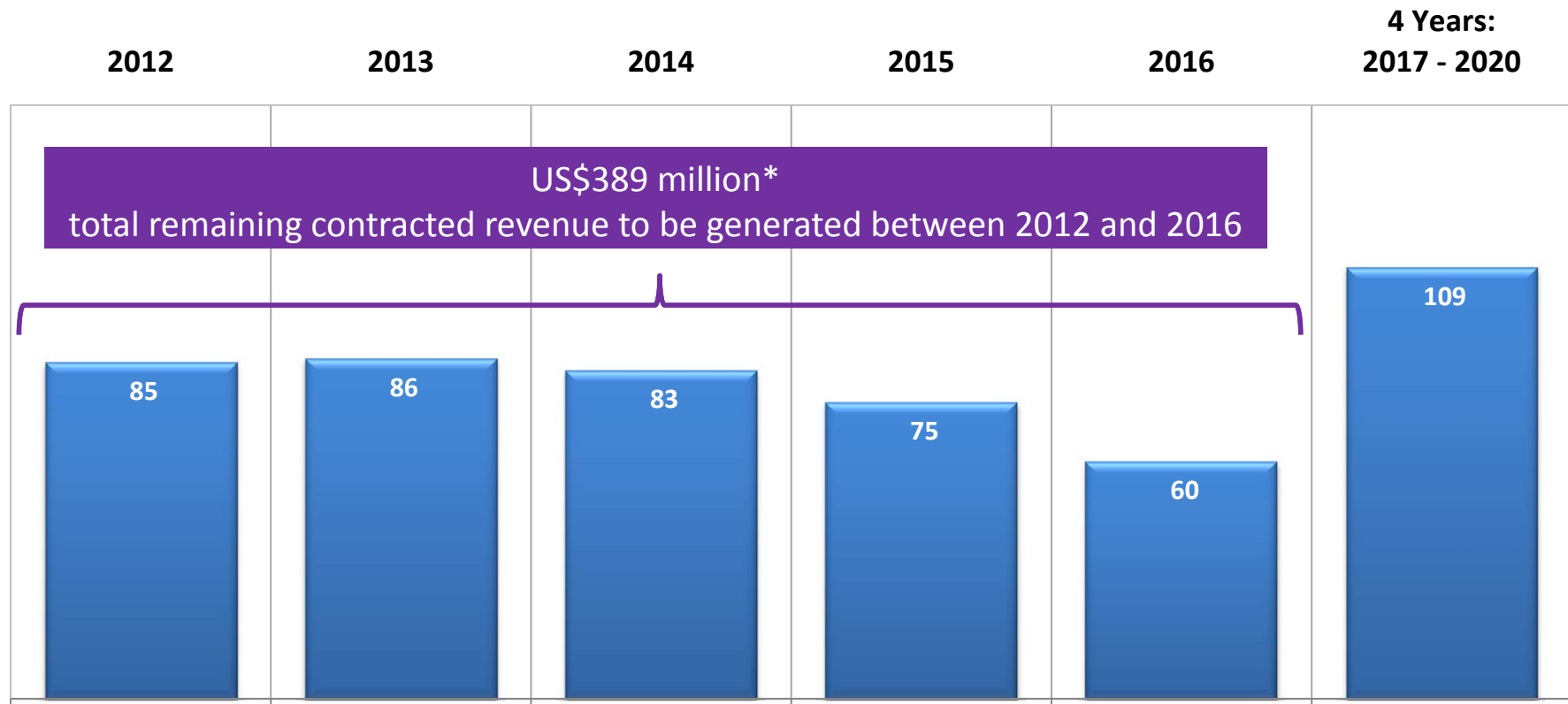
Three Chemical Tankers

~ To be Deployed in Pool

(US\$m)	1QFY12
Freight Income	0.30
Voyage Expenses	(0.63)
Time-Charter Equivalent Revenue	(0.33)
Less: Crew Cost, Vessel Maintenance & other Operating Expenses	(0.58)
Bareboat Charter Equivalent Revenue	(0.91)

- Weak performance due to mismatch in recognition of freight income and expenses
 - In March, freight income was recognised for one vessel on completion of its charter; other two vessels completed charters in 2QFY12
 - Voyage and vessel operating expenses were recognised when incurred
- Bareboat charter equivalent loss of US\$0.9 million incurred

US\$500m Lease Revenue Backlog



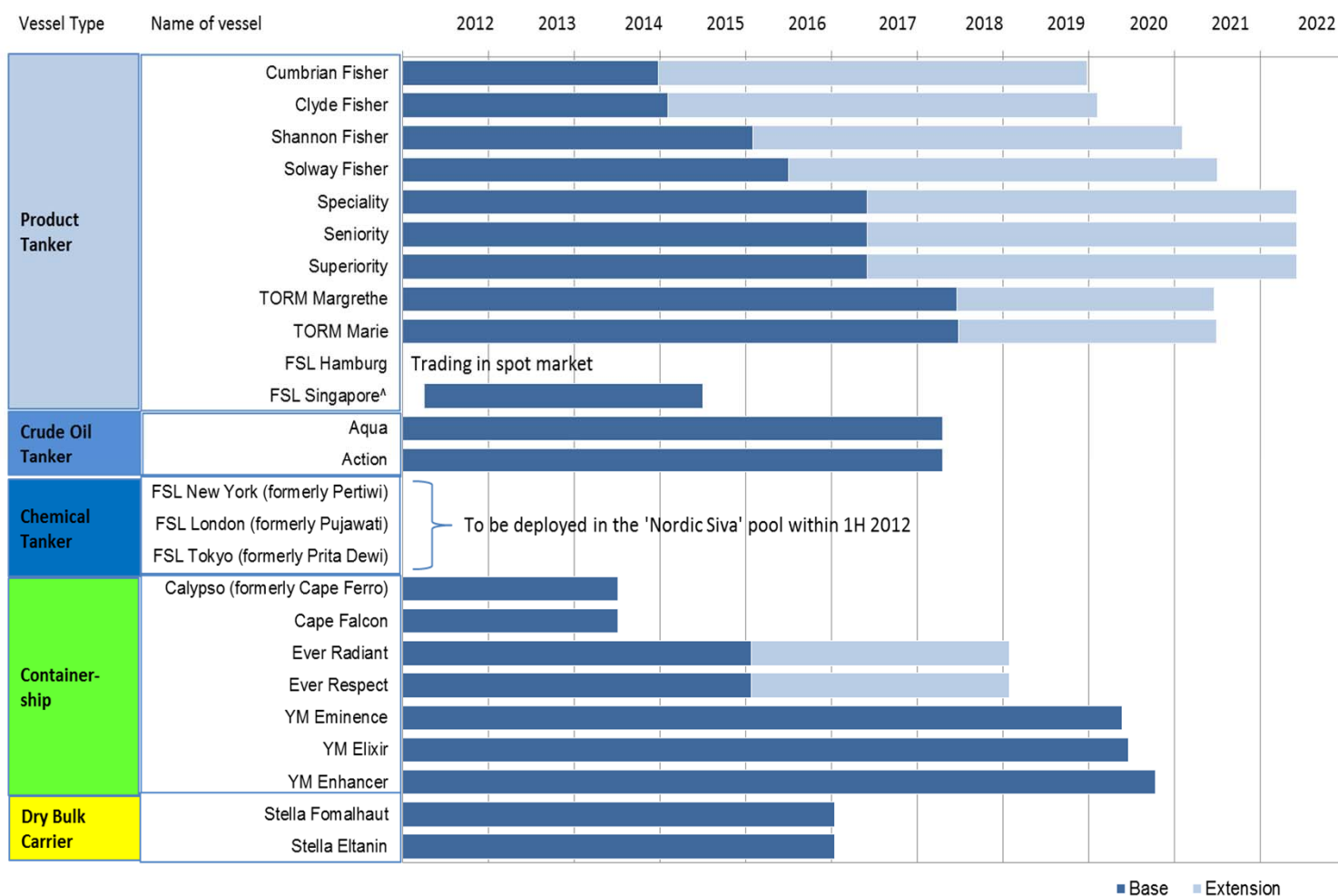
* As at 31 December 2011, based on 20 vessels on long-term bareboat charters and one vessel on a three-year time-charter. Excludes extension and early buyout options.

Staggered Lease Maturities



Remaining Lease Term in Years as at 31 March 2012

5.8 years*
Weighted average remaining lease term



* As at 31 March 2012, based on the 20 vessels on long-term bareboat charters and 'FSL Singapore' on a three-year time charter. Calculated on a dollar-weighted average basis by net book value and excludes extension and early buyout options.

[^] 'FSL Singapore' is expected to be deployed on a three-year time charter to Petrobras within 2Q FY12.

Investor Relations Contacts



- **FSL Trust Management**

Ms Wyllyn Liu

Telephone: +65 6836 3000

email: investors@firstshiplease.com

- **OakTree Advisers**

Ms Rita Chay

Telephone: +65 6100-1811

email: ritachay@oaktreadvisers.com



Thank You

Questions & Answers