



FSL Trust Management Pte. Ltd.
as Trustee Manager for First Ship Lease Trust
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News Release

FSL TRUST ACQUIRES THREE PRODUCT TANKERS FROM JAMES FISHER FOR US\$45 MILLION

- *Transaction immediately accretive to DPU, comes just two months after listing*

Singapore, 1 June 2007 – FSL Trust Management Pte. Ltd. (“FSLTM”), Trustee-Manager of First Ship Lease Trust (“FSL Trust”), announced that it has today acquired three product tankers from UK-based and London Stock Exchange-listed James Fisher & Sons PLC (“James Fisher”) for a total consideration of US\$45 million and will concurrently lease the vessels back to the seller for a base lease term of 10 years. The lease agreement contains various lease extension and purchase options for the lessee.

In addition to the three vessels acquired today, James Fisher has the option to sell and leaseback a fourth sister vessel of the same type on identical commercial terms. This option has to be declared by James Fisher no later than 30 June 2008.

Impact of the acquisition

The acquisition of the three product tankers will be immediately accretive to FSL Trust’s distribution per unit (“DPU”). The pro forma financial effect of the acquisition (excluding the fourth optional vessel) on the DPU for the financial year ending 31 December 2007 (“FY 2007”) is an additional 0.17 US cents per unit, and an additional 0.30 US cents per unit for the financial year ending 31 December 2008 (“FY 2008”) compared to the DPU projected for FY 2007 and targeted for FY2008 at the time of FSL Trust’s Initial Public Offering (“IPO”).

In the FSL Trust IPO Prospectus dated 19 March 2007, FSLTM forecasted a DPU of 6.39 US cents for FY 2007 (or 8.52 US cents on an annualised basis) and targeted an increase in FY 2008 of 0.64 US cents in addition to the 8.52 US cents. With the



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additional DPU of 0.30 US cents for FY 2008 from this acquisition, it means that about 47 per cent of the targeted increase in DPU for next year has been booked.

Rationale for the acquisition

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: “We are delighted to have concluded this first acquisition just two months after our listing in March this year. Through our Sponsor, First Ship Lease Pte. Ltd., we have known James Fisher, a leading marine services company, for a long time and are pleased to grow our partnership with a firm of such high standing.”

First Ship Lease Trust now has seven high quality vessels on long term leases with James Fisher (not including the fourth option vessel).

Mr Clausius added: “This transaction represents a significant step forward in our objective to further diversify our very modern and high quality asset portfolio as well as expand the size of our fleet. The acquisition provides our unitholders with immediate yield accretion as well as underpins our growth ambitions in the international ship leasing market. FSLTM remains focused on enhancing value for all unitholders by executing its distribution growth strategy.”



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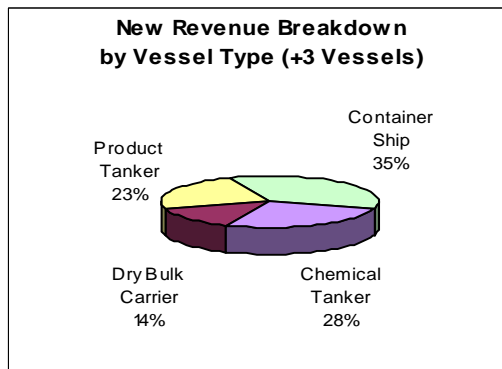
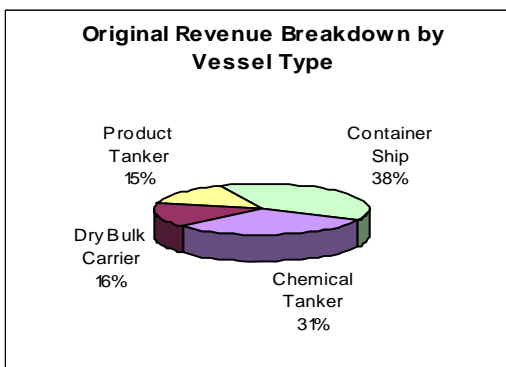
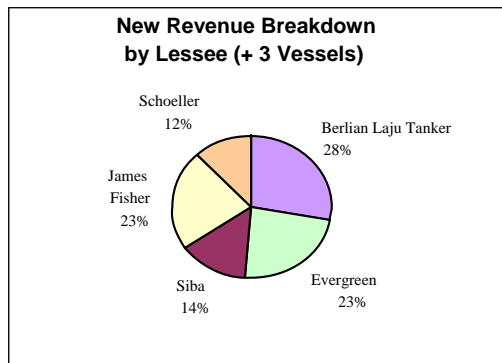
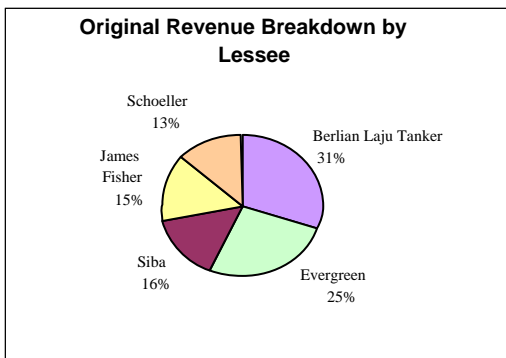
Funding

The acquisition of the three ships has been fully funded by drawing from a seven year US\$250 million revolving credit facility provided to FSL Trust by a syndicate of banks jointly led by The Bank of Tokyo-Mitsubishi UFJ Co., Ltd., Singapore Branch and Bayerische Hypo- und Vereinsbank AG, Singapore Branch. This facility is provided on a floating rate basis. To protect the spread of the transaction, FSLTM has arranged for an interest rate swap until the maturity of the credit facility.

Impact on portfolio

The transaction has the following impact on the lease portfolio of FSL Trust:

a) Lessee/Vessel Type Diversification (pre & post acquisition)





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b) Average Remaining Lease Term (excluding lease extension and early buyout options)

- Pre-acquisition: approximately 9 years
- Post-acquisition: approximately 9 years

c) Average Age of Vessels

- Pre-acquisition: approximately 5 years
- Post-acquisition: approximately 4 years

Asset Description

The three vessels acquired in this transaction, namely “Speciality”, “Seniority” and “Superiority”, are product tankers with a cargo carrying capacity of 4,426 dwt each. Built by Qingshan Shipyard in Wuhan, PRC, the vessels “Speciality” and “Seniority” were delivered in 2006 whereas “Superiority” was delivered in 2007. Of a very advanced technical design, these vessels come with a diesel electric propulsion system as well as twin rudders and propellers. The ships are mainly deployed in the British Isles where James Fisher holds long term transportation contracts with various oil majors. The vessels are classed by Lloyd’s Register of Shipping and fly the Bahamas flag. FSL Trust owns the vessels via three Marshall Islands special purpose companies.

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About First Ship Lease Trust

First Ship Lease Trust (Reuters: FSLT.SI; Bloomberg: FSLT SP) is a provider of leasing services on a bareboat charter basis to the international shipping industry. It now has a modern, high quality and diverse portfolio of 16 vessels consisting of four containerships, seven product tankers, three chemical tankers and two dry bulk carriers. These vessels have an average age of approximately four years, and an average remaining lease period of approximately nine years (excluding extension periods and early buy out options).

Managed by FSL Trust Management Pte. Ltd., FSL Trust seeks to become the leading provider of leasing services on a bareboat charter basis to the international shipping industry. To achieve this, FSL Trust Management Pte. Ltd. will focus on rapidly growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters.

About James Fisher & Sons PLC

James Fisher & Sons PLC is a market leader in the provision of technical engineering solutions in the marine environment with its business divided into four divisions: Offshore Oil Services, Marine Oil Services, Specialist Technical Services and Defence. Since its beginnings in 1847, the company has developed from a shipowner into a provider of marine and specialist technical services of the highest quality, building on the experience and expertise gained over more than 150 years of operating in the marine environment.

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The initial public offering of units of First Ship Lease Trust (the "Offering") commenced on 19 March 2007 and closed on 22 March 2007. In the Offering, Deutsche Bank AG, Singapore Branch was the Sole Global Co-ordinator, Joint Lead Manager and Joint Bookrunner, and J.P. Morgan (S.E.A.) Limited was the Joint Lead Manager and Joint Bookrunner. The Co-Lead Managers to the Offering were CLSA Merchant Bankers Limited and Macquarie Securities (Asia) Pte Limited. The Manager and Co-ordinator of the Singapore Public Offer was Oversea-Chinese Banking Corporation Limited.