



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FIRST SHIP LEASE TRUST'S INAUGURAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2007

- ***Distribution – US\$2.30¢ per unit (2.2% higher than IPO projection)***
- ***Revenue – US\$12.7 million (3.8% higher than IPO projection)***

Singapore, 19 July 2007 – FSL Trust Management Pte. Ltd. (“FSLTM”), Trustee-Manager of First Ship Lease Trust (“FSL Trust”), is pleased to announce a total distribution of US\$11.500 million to unitholders of FSL Trust for the period from 19 March 2007 (date of constitution) to 30 June 2007. This represents 100% of the amount available for distribution.

Based on 500 million outstanding units, the Distribution Per Unit (“DPU”) is US\$2.30¢, 2.2% higher than the DPU of US\$2.25¢ projected at the time of FSL Trust’s Initial Public Offering (“IPO”).

Summary of Results

	19 March 2007 to 30 June 2007 Note (a)		% Change
	Actual	Projection	
Revenue (US\$'000)	12,672	12,208	3.8
Net profit after tax (US\$'000)	2,307	2,310	(0.1)
Net Distributable Amount (US\$'000)	11,527	11,236	2.6
Amount to be distributed (US\$'000)	11,500	11,250	2.2
Distribution Per Unit (US Cents)			
For the Period	2.30¢	2.25¢	2.2
Normalised on a Quarterly basis	2.19¢	2.13¢	2.8

Note:

- (a) FSL Trust was constituted on 19 March 2007. The initial vessel portfolio and its respective leases were acquired on 27 March 2007, which was the listing date. There were no operating activities for the period prior to 27 March 2007. The projection figures are derived by prorating the projection disclosed in the Prospectus for the period 27 March 2007 to 30 June 2007.

FSL Trust grew from a portfolio of 13 vessels at its IPO to 16 vessels as at 30 June 2007 with the acquisition of three product tankers from James Fisher Everard Limited on 1 June 2007 under a sale-leaseback arrangement. The incremental lease rentals from this transaction were the primary reason for revenue rising by 3.8% to US\$12.672 million for the period 19 March 2007 to 30 June 2007 compared to projection.

Against projection, net profit after tax fell marginally by 0.1%. The reason is that the incremental lease revenue of the three additional vessels is more than offset by the depreciation and interest expense associated with the ships. As reported, the vessel acquisition was 100% debt funded by drawing under the US\$250 million revolving credit facility.

Distribution

For the period under review, unitholders will receive US2.30¢ for each unit they own, representing an increase of 2.2% against projection.

The increase in the DPU was mainly made possible by the incremental cash flow resulting from the purchase and lease of the three product tankers from James Fisher Everard Limited on 1 June 2007. The proforma financial effect of this acquisition on the DPU for the financial year ending 31 December 2007 ("FY 2007") is an additional US0.17¢ per unit and an additional US0.30¢ per unit for the financial year ending 31 December 2008 ("FY 2008") compared to the annualised DPU of US8.52¢ based on the initial portfolio.

The Books Closure Date is 27 July 2007, and payment to unitholders of the distribution of US2.30¢ per unit¹ will be made on 23 August 2007.

¹ Unitholders whose units are held directly through The Central Depository (Pte) Limited ("CDP") will receive their distribution in the Singapore dollar equivalent of the US2.30¢ declared. Unitholders who wish to receive the distribution in US dollars can do so by submitting a "Distribution Election Notice" to CDP by 10 August 2007.

Subordination, Incentive Fees and Fees Paid to Trustee-Manager

The period under review falls under the Subordination Period (27 March 2007 (listing date) to 30 June 2009). During this Subordination Period, the Sponsor² has agreed to subordinate its entitlement to the distribution in respect of 50% of its Units, and the Trustee-Manager has agreed to subordinate its management fees should the forecasted DPU not be achieved in any quarter.

The DPU payable for the period ended 30 June 2007, normalized on a quarterly basis, is US2.19¢. This exceeds the forecasted quarterly DPU of US2.13¢; hence, the Sponsor and the Trustee-Manager do not have to surrender any of their distributions and management fees, respectively.

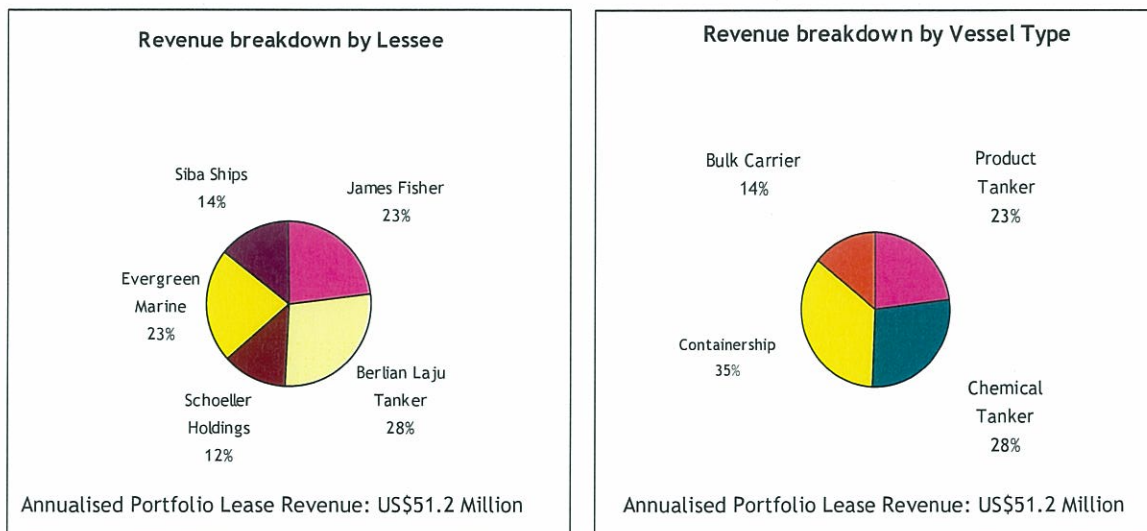
The DPU achieved for this period is 2.2% higher than the forecasted DPU. The Trustee-Manager will not be entitled to any incentive fees as such fees are only payable if the actual Net Distributable Amount per unit exceeds US2.45¢ (i.e. 15% above the forecasted DPU of US2.13¢).

The fees paid to the Trustee-Manager for the period under review were:

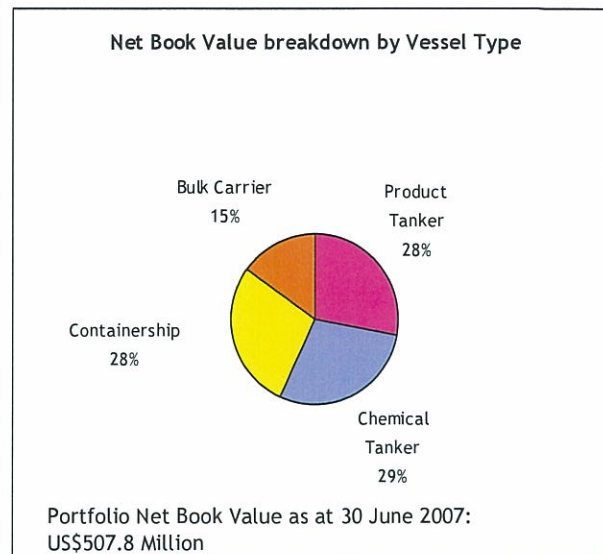
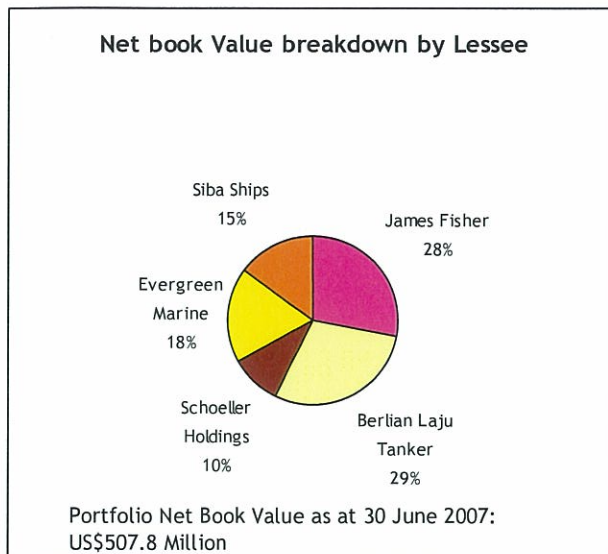
	US\$'000
Management Fee (4% of lease revenue)	507
Trustee Fee (0.02% p.a. of value of Trust Property)	25
Acquisition Fee (1% of vessel acquisition cost)	450
Incentive Fee	Nil
Divestment Fee	Nil

Lease Portfolio

FSL Trust's lease portfolio as at 30 June 2007 is as follows:-



² The Sponsor is First Ship Lease Pte. Ltd. As at 30 June 2007, the Sponsor owns 30.1% of the units in FSL Trust.



Review, Outlook and Prospects

Following the listing of FSL Trust on 27 March 2007, all 13 acquired leases performed to expectation. In addition, on 1 June 2007, FSL Trust completed its first post-IPO accretive acquisition with the purchase and concurrent leaseback of three product tankers from James Fisher Everard Limited for a total consideration of US\$45.0 million. Hence, the asset portfolio has now grown to 16 vessels, all on long term bareboat charters to first class customers.

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: "The first financial quarter of operations for FSL Trust proved to be very satisfactory. We are particularly pleased to have been able to deliver a DPU that is higher than what we projected at our IPO."

"We continue to be active in the global ship finance market, analyzing and assessing potential accretive transactions. Based on general deal-flow and the substantial size of the global ship financing industry, we remain confident of meeting our acquisition target of US\$200 million of assets within 12 months from listing date."

Any near term acquisitions will continue to be funded by debt only, through a draw down of the US\$250 million credit facility, which at this point remains over 80% undrawn.

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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.

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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.

This announcement has been prepared and released by FSL Trust Management Pte. Ltd., as trustee-manager of First Ship Lease Trust. Deutsche Bank AG, Singapore Branch and J.P. Morgan (S.E.A.) Limited, in their capacity as Joint Lead Managers and Joint Bookrunners, are not required to and have not been involved in the preparation or release of this announcement and have not verified the accuracy, completeness or adequacy of the information contained herein. The Joint Lead Managers and Joint Bookrunners do not accept any responsibility for, and disclaim any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.