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**FIRST SHIP LEASE TRUST  
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2008**

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**Summary of First Ship Lease Trust ("FSL Trust") Consolidated Results**

	<b>1Q 2008</b>	<b>1Q 2007 Note (a)</b>	<b>% Change</b>
Revenue (US\$'000)	16,607	625	N.M.
Net profit after tax (US\$'000)	1,705	112	N.M.
Net Distributable Amount (US\$'000)	13,030	575	N.M.
Amount to be distributed (US\$'000) - Note (b)	12,950	N.A.	N.M.
Distribution Per Unit ("DPU") (US Cents)- Note (c)			
For the period	2.59¢	N.A.	N.M.
Annualised	10.36¢	N.A.	N.M.

N.M. Not Meaningful

N.A. Not Applicable

Notes:

- (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. The results for 1Q 2007 were for operating activities for the period from 27 March 2007 to 31 March 2007.
- (b) There was no distribution for the period 19 March 2007 to 31 March 2007. The first distribution was for period 19 March 2007 to 30 June 2007.
- (c) FSL Trust's distribution policy is to apply at least 90% of the Net Distributable Amount towards payment of distributions and incentive fee. For 1Q 2008, FSL Trust's distribution policy is to apply 100% of the Net Distributable Amount for distribution to unitholders and incentive fee payment to the Trustee-Manager.

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**INTRODUCTION**

First Ship Lease Trust ("FSL Trust") is a provider of leasing services on a bareboat charter basis to the international shipping industry. It has a modern, high quality and diverse portfolio of 18 vessels consisting of four containerships, nine product tankers, three chemical tankers and two dry bulk carriers as at 31 March 2008. These vessels have a dollar-weighted average age of approximately five years, and a dollar-weighted average remaining lease period of approximately eight years (excluding extension periods and early buy-out options).

FSL Trust was constituted under a Trust Deed dated 19 March 2007 entered with FSL Trust Management Pte. Ltd. as its trustee-manager. 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. FSL Trust was listed on 27 March 2007 on the Singapore Exchange Securities Trading Limited ("SGX-ST") with an initial portfolio of 13 vessels.

On 18 April 2008, FSL Trust acquired two crude oil tankers from privately held Geden Lines under a sale-leaseback arrangement, bringing FSL Trust's portfolio to a total of 20 vessels. This acquisition was immediately accretive to FSL Trust's distribution per unit (Please see paragraph 11(b) - Subsequent Events for details).

**1(a)(i) Consolidated Income Statements**

		Group	
		1Q 2008	1Q 2007
		US\$'000	US\$'000
	Note		Note (a)
Revenue		16,607	625
Depreciation expense on vessels		(11,231)	(459)
Management fees		(673)	(25)
Trustee fees		(31)	-
Incentive fee		(78)	-
Other trust expenses		(547)	(11)
Finance income		164	-
Finance expenses		(2,507)	(14)
<b>Net profit before tax</b>		<b>1,704</b>	<b>116</b>
Income tax write-back/(expense)	(b)	1	(4)
<b>Net profit after tax</b>		<b>1,705</b>	<b>112</b>

Notes:

- (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. The results for 1Q 2007 were for operating activities for the period from 27 March 2007 to 31 March 2007.
- (b) This relates to tax payable on the taxable interest income on bank deposits.

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1(a)(ii) Distribution Statements

	Note	Group	
		1Q 2008	1Q 2007
		US\$'000	Note (a) US\$'000
<b>Net profit after tax</b>		1,705	112
Add/(less): Non-cash adjustments	(b)	11,357	463
Initial direct costs paid		(110)	
Incentive fee		78	-
<b>Net distributable amount</b>	(c)	13,030	575
Less: Incentive fee payable	(c)	(78)	-
<b>Amount available for distribution</b>		12,952	575
Comprising: (i) Tax-exempt distribution		12,803	575
(ii) Tax-exempt (one-tier) distribution		149	-
<b>Amount available for distribution</b>		12,952	575
<b>Amount carried forward to next quarter</b>		2	575
Amount to be distributed (US\$'000)	(d)	12,950	-
Units at the end of the quarter		500,000,000	500,000,000
Distribution per unit for the quarter (US Cents)		2.59	-

Notes:

(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. The results for 1Q 2007 were for operating activities for the period from 27 March 2007 to 31 March 2007.

(b) Non-cash items include depreciation expenses and amortization of debt upfront fees and initial direct costs. Initial direct costs are transaction expenses incurred in the origination of new leases. These costs are capitalized and amortized into earnings in proportion to the recognition of lease income.

(c) The Net Distributable Amount ("DAU") of US\$13,030,000 or US2.606¢ per unit exceeds US2.450¢ (115% of benchmark quarterly DPU of US2.13¢) for the quarter under review. Accordingly, pursuant to the computation described in the Trust Deed, an incentive fee of US\$78,000 is payable to the Trustee-Manager.

The Trustee-Manager has elected to receive 99.3% of the incentive fee in the form of new units to be issued, with the balance 0.7% in the form of cash. The issue of new units is subject to the in-principle approval of the Singapore Exchange Securities Trading Limited. The Trustee-Manager has waived its entitlement to the distribution for the quarter under review.

(d) There was no distribution for the period 19 March 2007 to 31 March 2007. The first distribution was for the period 19 March 2007 to 30 June 2007.

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1(b)(i) Balance Sheets

	31 Mar 2008		31 Dec 2007	
	Group US\$'000	Trust US\$'000	Group US\$'000	Trust US\$'000
<b>Non-current assets</b>				
Vessels	601,392	-	609,806	-
Subsidiaries	-	528,766	-	528,766
	601,392	528,766	609,806	528,766
<b>Current assets</b>				
Prepayments and other receivables	886	48,563	945	64,594
Cash and cash equivalents	18,479	16,691	18,483	15,744
	19,365	65,254	19,428	80,338
<b>Total assets</b>	620,757	594,020	629,234	609,104
<b>Equity attributable to unitholders of FSL Trust</b>				
Units in issue	476,775	476,775	476,775	476,775
Reserves	(34,768)	(59,639)	(17,365)	(34,622)
<b>Total equity</b>	442,007	417,136	459,410	442,153
<b>Non-current liability</b>				
Secured bank loan	158,110	158,110	158,091	158,091
<b>Current liabilities</b>				
Trade and other payables	689	595	782	644
Lease income received in advance	1,772	-	2,731	-
Derivative liabilities	18,098	18,098	8,136	8,136
Current tax payable	81	81	84	80
	20,640	18,774	11,733	8,860
<b>Total liabilities</b>	178,750	176,884	169,824	166,951
<b>Total equity and liabilities</b>	620,757	594,020	629,234	609,104

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**1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities**

	Note	31 Mar 2008 US\$'000	31 Dec 2007 US\$'000
<b>Secured bank loans</b>	(a)		
Amount repayable within one year		-	-
Amount repayable after one year		159,580	159,580
Less: Unamortized debt upfront fees		(1,470)	(1,489)
		158,110	158,091

**Note:**

(a) The Trust has in place a revolving credit facility of US\$250,000,000 to finance the acquisition of vessels. As at 31 March 2008, US\$90,420,000 has not been drawn.

The credit facility is secured on the following:

- (i) a first priority mortgage over the Group's vessels in the portfolio;
- (ii) a first priority assignment of the Group's right, title, interest and insurance to and for each vessel, including insurance for hull and machinery, protection and indemnity and war risks; and
- (iii) a first priority assignment of the Group's rights, title and interest in and to the bareboat charter agreement and the charter income of each vessel.

The secured bank loans are repayable in full on 26 March 2014.

These loans bear interest at 1% above the floating US\$ 3-month Libor. At the time of the respective drawdowns, the Trustee-Manager, on behalf of FSL Trust, has entered into interest rate swaps to convert the floating interest rates into fixed rates for the remaining term of the facility. The all-in effective interest rates range from 5.76% per annum to 6.24% per annum.

On 1 April 2008, FSL Trust secured an additional revolving credit facility of US\$200 million to finance vessel acquisitions. (Please see paragraph 11(a) - Subsequent Events for details).

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1(c) Consolidated Cash flow Statements

	Note	Group	
		1Q 2008	1Q 2007
		US\$'000	Note (a) US\$'000
<b>Operating activities:</b>			
Net profit before income tax		1,704	116
Adjustments for:			
Depreciation expense on vessels		11,231	459
Amortization of debt upfront fees and initial direct costs		126	4
Interest income		(164)	-
Interest expense		2,380	-
Equity-settled unit-based payment transactions		77	-
		15,354	579
Changes in working capital:			
Prepayments and other receivables		9	(2,388)
Trade and other payables		(110)	(4,045)
Lease income received in advance		(958)	1,179
<b>Cash generated from operations</b>		14,295	(4,675)
Income taxes paid		(1)	-
<b>Cash flows from operating activities</b>		14,294	(4,675)
<b>Investing activities:</b>			
Acquisition of vessels	(b)	-	(471,279)
Interest received		222	-
<b>Cash flows from investing activities</b>		222	(471,279)
<b>Financing activities:</b>			
Proceeds from issuance of units		-	490,000
Transaction costs on issuance of units		-	(11,309)
Distribution to unitholders		(12,100)	-
Payment of financing fees		(40)	-
Interest paid		(2,380)	-
<b>Cash flows from financing activities</b>		(14,520)	478,691
Net (decrease)/increase in cash and cash equivalents		(4)	2,737
Cash and cash equivalents at beginning of period		18,483	-
Cash and cash equivalents at end of period		18,479	2,737
<b>Comprising:-</b>			
Cash at Bank		5,122	2,737
Short-term deposits		13,357	-
		18,479	2,737

Notes:

- (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. The results for 1Q 2007 were for operating activities for the period from 27 March 2007 to 31 March 2007.
- (b) On 27 March 2007 (listing date), FSL Trust acquired a portfolio of 13 vessel-owning special purpose companies for a total consideration of US\$471.3 million.

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1(d)(i) Statements of Changes in Unitholders' Funds

	Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Equity Compensation Reserve	Accumulated Profit/(Losses)	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>2008 Group</b>						
At 1 January 2008	476,775	(8,136)	7,118	-	(16,347)	459,410
Translation differences relating to financial statements of foreign subsidiaries	-	-	663	-	-	663
Exchange differences on monetary items forming part of net investment in foreign subsidiaries	-	-	2,214	-	-	2,214
Effective portion of changes in fair value of cash flow hedges	-	(9,962)	-	-	-	(9,962)
Net (losses)/gains recognised directly in equity	-	(9,962)	2,877	-	-	(7,085)
Profit for the period	-	-	-	-	1,705	1,705
Total recognised income and expense for the period	-	(9,962)	2,877	-	1,705	(5,380)
Units to be issued for incentive fees	-	-	-	77	-	77
Distribution to unitholders	-	-	-	-	(12,100)	(12,100)
At 31 March 2008	476,775	(18,098)	9,995	77	(26,742)	442,007
<b>Trust</b>						
At 1 January 2008	476,775	(8,136)	-	-	(26,486)	442,153
Effective portion of changes in fair value of cash flow hedges	-	(9,962)	-	-	-	(9,962)
Net losses recognised directly in equity	-	(9,962)	-	-	-	(9,962)
Loss for the period	-	-	-	-	(3,032)	(3,032)
Total recognised expense for the period	-	(9,962)	-	-	(3,032)	(12,994)
Units to be issued for incentive fees	-	-	-	77	-	77
Distribution to unitholders	-	-	-	-	(12,100)	(12,100)
At 31 March 2008	476,775	(18,098)	-	77	(41,618)	417,136



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1(d)(i) Statements of Changes in Unitholders' Funds (cont'd)

	Units in Issue	Foreign Currency Translation Reserve	Accumulated Profit/ (Losses)	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
<b>2007 Group</b>				
On date of constitution	-	-	-	-
Translation differences relating to financial statements of foreign subsidiaries	-	(57)	-	(57)
Exchange differences on monetary items forming part of net investment in foreign subsidiaries	-	(523)	-	(523)
Net losses recognised directly in equity	-	(580)	-	(580)
Profit for the period	-	-	112	112
Total recognised income and expense for the period	-	(580)	112	(468)
Units issued	490,000	-	-	490,000
Unit issue costs	(11,309)	-	-	(11,309)
At 31 March 2007	478,691	(580)	112	478,223
<b>Trust</b>				
On date of constitution	-	-	-	-
Loss for the period	-	-	(22)	(22)
Total recognised expense for the period	-	-	(22)	(22)
Units issued	490,000	-	-	490,000
Unit issue costs	(11,309)	-	-	(11,309)
At 31 March 2007	478,691	-	(22)	478,669

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**1(d)(ii)(iii) Details of any changes in Units**

	1Q 2008 Units	FY 2007 Units
At the beginning of the period	500,000,000	-
Units issued during the period	-	500,000,000
At the end of the period	500,000,000	500,000,000

**1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Units**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures have been extracted from the Interim Financial Information which has been reviewed by the auditors in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

**3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

The Auditors' review report dated 23 April 2008 on the interim financial report of FSL Trust and its subsidiaries for the quarter ended 31 March 2008 is enclosed in the Appendix.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

FSL Trust has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the period ended 31 December 2007.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

There are no changes.

**6. Earnings per Unit ("EPU") and Distribution per Unit ("DPU") for the financial period**

	1Q 2008	1Q 2007
Weighted average number of units	500,000,000	500,000,000
Earnings per unit based on the weighted average number of units in issue (US Cents)	0.34	0.02
Number of units issued at end of period	500,000,000	500,000,000
Distribution per unit for the period (US Cents)	2.59	N.A.

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7. Net Asset Value (“NAV”) per Unit based on units at the end of the period

	Note	31 Mar 2008		31 Dec 2007	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.88	0.83	0.92	0.88

Note:

(a) The number of units used in the computation of NAV is 500,000,000 units, which is the number of units in issue as at 31 March 2008 and 31 December 2007.

8. Review of Performance

Consolidated Income Statements

	Group		
	1Q 2008	1Q 2007	4Q 2007
	US\$'000	US\$'000	US\$'000
Revenue	16,607	625	15,080*
Depreciation expense on vessels	(11,231)	(459)	(10,360)
Management fees	(673)	(25)	(609)
Trustee fees	(31)	-	(28)
Incentive fees	(78)	-	-
Other trust expenses	(547)	(11)	(443)
Finance income	164	-	182
Finance expenses	(2,507)	(14)	(1,904)*
<b>Net profit before tax</b>	<b>1,704</b>	<b>116</b>	<b>1,918</b>
Income tax write-back/(expense)	1	(4)	(36)
<b>Net profit after tax</b>	<b>1,705</b>	<b>112</b>	<b>1,882</b>

\* Includes a reclassification of US\$144,000 between revenue and finance expenses to better reflect the Euro revenue being hedged.

First quarter for FY 2008 vs first period for FY 2007

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. A review of 1Q 2008 performance against the period 27 to 31 March 2007 is not meaningful.

First quarter for FY 2008 vs fourth quarter for FY 2007

Revenue increased by 10.1% to US\$16.6 million due to the full quarter’s impact arising from the purchase and concurrent leaseback of two product tankers from Groda Shipping & Transportation Ltd. (“Groda”) in November 2007.

Total operating expenses rose 9.8% to US\$12.6 million. The full quarter’s impact arising from the acquisition of these two product tankers resulted in higher depreciation expense and finance expenses.

FSL Trust was capitalized purely by equity at its Initial Public Offering (“IPO”). As new vessels are acquired and financed 100% by debt, the net profit of FSL Trust will fall as the periodic interest expense and depreciation expense charged relating to the acquired vessels exceed the lease rentals received.

Compared to 4Q 2007, net profit after tax fell 9.40% to US\$1.7 million in 1Q 2008. This was primarily due to the full quarter’s impact of the acquisition of the two vessels from Groda in November 2007. The profitability of FSL Trust will stabilize once the long-term capital structure of 1 to 1 for debt to equity is achieved.

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8. Review of Performance (cont'd)

Distribution Statements

	Note	Group		
		1Q 2008	1Q 2007	4Q 2007
		US\$'000	US\$'000	US\$'000
<b>Net profit after tax</b>		1,705	112	1,882
Add/(less):				
Non-cash adjustments	(b)	11,357	463	10,467
Initial direct costs paid		(110)	-	(249)
Incentive fee		78	-	-
<b>Net distributable amount</b>		13,030	575	12,100
Less: Incentive fee payable		(78)	-	-
<b>Amount available for distribution</b>		12,952	575	12,100
Comprising:				
(i) Tax-exempt distribution		12,803	575	11,951
(ii) Tax-exempt (one-tier) distribution		149	-	149
<b>Amount available for distribution</b>		12,952	575	12,100
<b>Amount carried forward to next quarter</b>		2	575	-
<b>Amount to be distributed</b>	(c)	12,950	-	12,100
DPU (US Cents)		2.59	N.A.	2.42

The quarter under review falls under the Subordination Period (27 March 2007 (listing date) to 30 June 2009). During this Subordination Period, the Sponsor<sup>1</sup> 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 Net Distributable Amount ("DAU") per unit be not achieved in any quarter.

The DAU per unit for 1Q 2008 is US2.606¢. This exceeds the targeted minimum DAU of US2.237¢ for this quarter set during the IPO, hence, the Sponsor and the Trustee-Manager do not have to surrender any of their distributions and management fees, respectively.

The Trustee-Manager is entitled to an incentive fee as the DAU per unit of US2.606¢ exceeds US2.450¢ (115% of benchmark quarterly DPU of US2.13¢). According to the computation described in the Trust Deed and based on the quarter's DAU per unit of US2.606¢, an incentive fee of US\$78,000 is payable to the Trustee-Manager. After accounting for the incentive fee, unitholders will receive a DPU of US2.59¢, a 7.0% increase over 4Q 2007.

Notes:

- (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. The results for 1Q 2007 were for operating activities for the period from 27 March 2007 to 31 March 2007.
- (b) Includes non-cash items like depreciation and amortization of debt upfront fees and initial direct costs.
- (c) There was no distribution for the period 19 March 2007 to 31 March 2007. The first distribution was for period 19 March 2007 to 30 June 2007.

<sup>1</sup> The Sponsor is First Ship Lease Pte. Ltd.. The Sponsor owns 30.1% of the units in FSL Trust as at 31 March 2008.

**9 Variance from Prospect Statement**

The results for the current quarter under review are broadly in line with the previous statement made in the financial announcement for the quarter ended 31 December 2007.

**10 Outlook and Prospects**

Management will continue to pursue acquisition opportunities as part of its strategy to grow FSL Trust. To assist in further accelerating the growth of FSL Trust, the Trustee-Manager has broadened the transaction origination platform by hiring a Head of Sales-East of Suez.

Management is confident of achieving the US\$300 million acquisition target for year 2008. Indeed, about 50% of the target has been achieved in April 2008 with the acquisition of two crude oil tankers from Geden Lines (See paragraph 11(b) - Subsequent Events for details).

As ship operators are turning increasingly to alternative financing solutions including leasing, Management is bullish about meeting the balance of the acquisition target of US\$160 million over the next eight months. Funding for these future acquisitions will be from the newly secured US\$200 million credit facility of which about US\$150 million remains undrawn.

**11 Subsequent Events**

**(a) Additional US\$200m revolving credit facility**

On 1 April 2008, the Trustee-Manager, on behalf of FSL Trust, secured a US\$200 million revolving credit facility ("Facility"). This Facility is jointly led by The Bank of Tokyo-Mitsubishi UFJ Co., Ltd, Singapore Branch and Bayerische Hypo- und Vereinsbank AG, Singapore Branch. The Facility has a term of four years and attracts a commitment fee of 30bps per annum on the undrawn amount. Once drawn, the margin is at 120bps above the US\$ 3-Month LIBOR. As this Facility is an extension of the existing US\$250 million credit facility, the bulk of the terms mirrors those under the existing facility.

**(b) Acquisition of two Crude Oil Tankers**

On 18 April 2008, FSL Trust acquired two Crude Oil Tankers from privately held Geden Lines for a total consideration of US\$140 million via its wholly-owned special purpose companies. These vessels were concurrently leased back to Geden Lines for a lease term of 10 years. Funded from both the existing US\$250 million credit facility and the new Facility, this acquisition was immediately accretive to FSL Trust's distribution.

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**12. Distribution**

**(a) Current financial period**

Any distributions declared for the current financial period	:	Yes
Amount	:	US\$12,950,000
Distribution Period	:	1 January 2008 to 31 March 2008
Distribution Type	:	Cash, Tax-exempt Distribution
Distribution Rate	:	2.59 US Cents per unit
Par Value of units	:	Not applicable
Tax Rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempt from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of FSL Trust.

**(b) Corresponding Period of the Immediately Preceding Financial Period**

Any distributions declared for the previous corresponding period	:	Not applicable
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**(c) Date Payable** : 30 May 2008

**(d) Books closure date** : The Transfer Books and Register of FSL Trust will be closed at 5.00 p.m. on 2 May 2008 for the purposes of determining each Unitholder's entitlement to the Distribution. Unitholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with units at 5.00 p.m. on 2 May 2008 will be entitled to the Distribution to be paid on 30 May 2008.

**(e) Currency election procedures** : Unitholders whose units are held directly through CDP will receive their distribution in the Singapore dollar equivalent of the 2.59 US Cents declared. Unitholders who wish to receive the distribution in US dollars can do so by submitting a "Distribution Election Notice" to CDP by 16 May 2008.

**13. If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

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FIRST SHIP LEASE TRUST  
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2008

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14. Confirmation by the Board

The Board of FSL Trust Management Pte. Ltd. as Trustee-Manager of First Ship Lease Trust, has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the interim financial results of the Group for the quarter ended 31 March 2008 to be false or misleading in any material aspect.

This announcement 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 current view of management on future events.

BY ORDER OF THE BOARD  
FSL TRUST MANAGEMENT PTE. LTD.  
(COMPANY REGISTRATION NO. 200702265R)  
AS TRUSTEE-MANAGER OF FIRST SHIP LEASE TRUST

Rebecca Cheng Pei Jiu  
Company Secretary  
23 April 2008



**KPMG**  
16 Raffles Quay #22-00  
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Singapore 048581

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The Board of Directors  
FSL Trust Management Pte Ltd  
(in its capacity as Trustee-Manager  
of First Ship Lease Trust)  
9 Temasek Boulevard  
#19-03 Suntec Tower Two  
Singapore 038989

Our ref KT/DK1/A1P

Contact Kenny Tan  
(+65 6213 2836)

Attention: Mr Cheong Chee Tham

23 April 2008

Dear Sirs

## **First Ship Lease Trust Review of Interim Financial Information**

### ***Introduction***

We have reviewed the accompanying financial information of First Ship Lease Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the balance sheet of the Group as at 31 March 2008, and the income statement, statement of changes in unitholders' funds and cash flow statement of the Group for the 3 month period then ended and certain explanatory notes (the "Interim Financial Information"). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

***Restriction on use***

Our report is provided on the basis that it is solely for the private information of the directors of FSL Trust Management Pte Ltd and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of FSL Trust Management Pte Ltd, the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully



**KPMG**  
*Public Accountants and*  
*Certified Public Accountants*

**Singapore**  
23 April 2008