



**FSL Trust Management Pte. Ltd.**  
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**For Immediate Release**

## **FSL TRUST TO ACQUIRE THREE CONTAINERSHIPS FOR US\$210 MILLION**

- ***Transaction significantly accretive to DPU***
- ***Guidance for Q2 and Q3 DPU raised again:***
  - ***Q2: DPU of US2.77 cents, 6.9% higher than Q1 DPU and***
  - ***Q3: DPU of US3.05 cents, 17.8% higher than Q1 DPU of US2.59 cents***
- ***Total asset acquisitions of more than half a billion US Dollars in just 14 months since listing; equivalent to 108% asset growth since IPO***

**Singapore, 12 May 2008** – FSL Trust Management Pte. Ltd. (“FSLTM”), Trustee-Manager of First Ship Lease Trust (“FSL Trust”), announced today that it has entered into a conditional agreement to acquire three container vessels from a wholly owned subsidiary of Taiwan-based and -listed Yang Ming Marine Transport Corporation (“YML”) for a total consideration of US\$210 million.

YML is the world’s 16<sup>th</sup> largest container liner company with a consolidated revenue of NT\$133.8 billion (US\$4.1 billion) in 2007. The agreement remains subject to documentation and closing for vessels 1 and 2, and subject to documentation, closing and financing for vessel 3. The first vessel is expected to be delivered to FSL Trust by end May, the second by end June and the third by end October, all within this year.

The acquired vessels will concurrently be leased back to YML for a lease term of 12 years. The lease payments are on a fixed basis for the entire lease term. Each lease agreement contains a purchase option for YML at the expiry of the 12 year lease term.

### **Significant accretion to DPU**

The acquisition of the initial two vessels will be significantly accretive to FSL Trust’s distribution per unit (“DPU”). Assuming no change in the equity structure of FSL Trust and after deducting estimated incentive fees attributable to the Trustee-Manager, the acquisition is projected to generate an additional DPU of US0.02 cents for the quarter ending 30 June 2008, and an additional DPU of US0.18 cents for each full calendar quarter thereafter. Together with the recently announced Geden transaction, the total DPU guidance for Q2 2008 is now US2.77 cents, and US3.05 cents for Q3. FSLTM will give guidance on the DPU accretion for the third vessel once financing has been secured.

## Rationale for the acquisition

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: “We are delighted to have entered into this agreement with YML, Taiwan’s second largest shipping group and one of the best credits in the industry. We continue our revenue diversification drive with yet another top class customer.

“This US\$210 million transaction brings our total asset acquisitions to US\$508 million in only 14 months since our listing in March 2007 and to US\$350 million for this year, against a full year target of US\$300 million. Equally important, we are delighted to again be able to deliver yet another round of very substantial and immediate DPU accretion to our unitholders.”

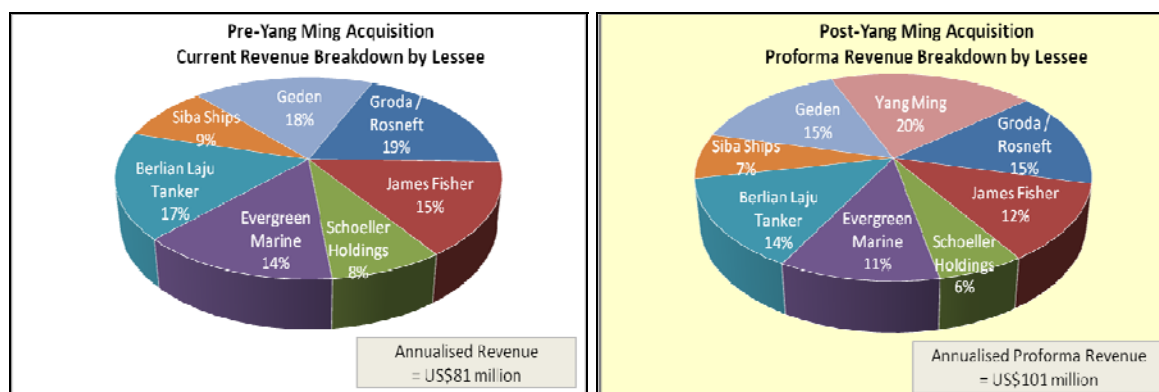
## Funding

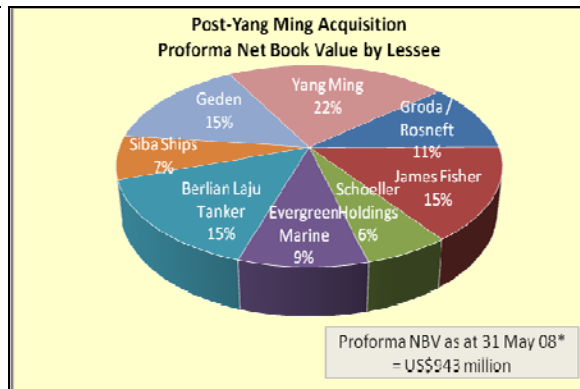
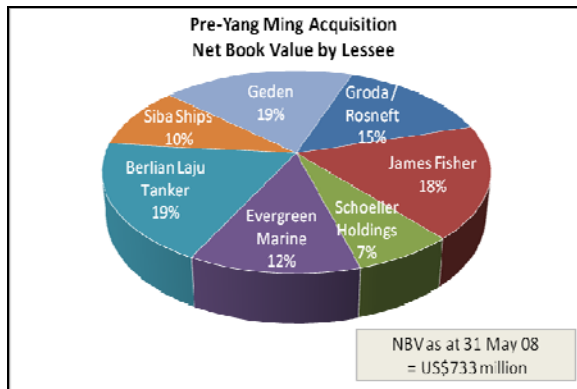
The acquisition of the first two ships will be funded by drawing from FSL Trust’s second US\$200 million revolving credit line which is arranged by The Bank of Tokyo-Mitsubishi UFJ Co., Ltd., Singapore Branch and Bayerische Hypo- und Vereinsbank AG, Singapore Branch. Upon drawing from that line FSLTM will arrange for interest rate swaps to provide for a long term spread protection for these leases. FSLTM has commenced discussions with its lenders to increase the second revolving credit line from US\$200 million to about US\$265 million, enabling FSL Trust to also take delivery of the third vessel. Once these discussions are concluded, FSLTM will make an announcement providing further details.

## Impact on Portfolio

The transaction has the following impact on the lease portfolio of FSL Trust (based on acquisition of three container vessels):

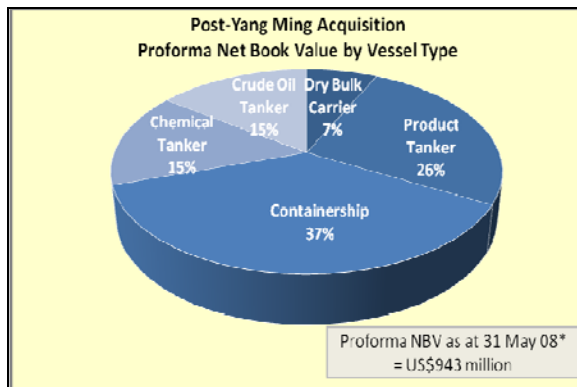
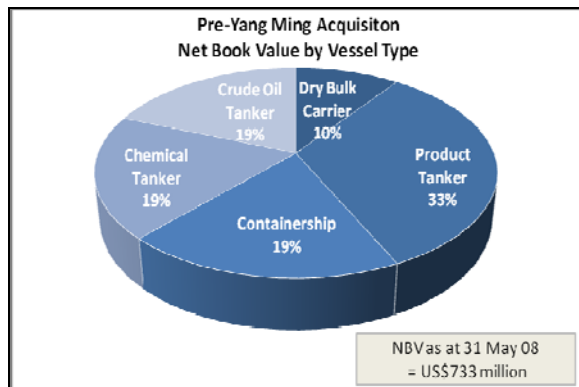
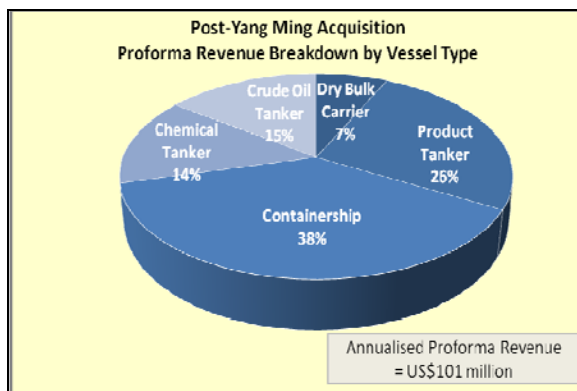
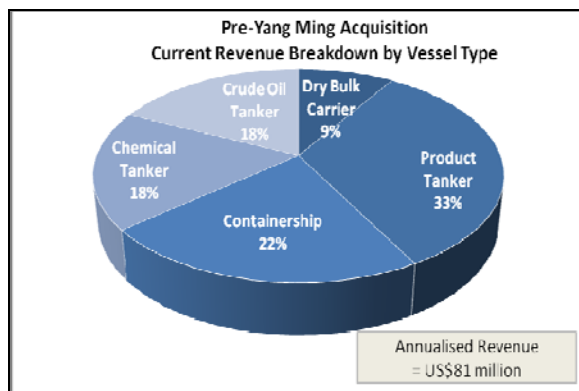
### a) Lessee Diversification (pre & post acquisition)





\* assuming addition of all three container vessels as at 31 May 08

**b) Vessel Type Diversification (pre & post acquisition)**



\* assuming addition of all three container vessels as at 31 May 08

**c) Average Remaining Lease Term (excluding lease extension and early buyout options)^**

- Pre-acquisition: approximately 8.4 years
- Post-acquisition: approximately 9.2 years

**d) Average Age of Vessels^**

- Pre-acquisition: approximately 4.1 years
- Post-acquisition: approximately 3.2 years

^ Dollar weighted average as at 31 May 2008 and assuming addition of all three container vessels as at 31 May 2008

## **Asset Description**

The three vessels to be acquired in this transaction, namely 'YM Eminence', 'YM Elixir' and 'YM Enhancer', are high quality container vessels of the "Panamax" class with a carrying capacity of about 4,250 TEU each. Built by CSBC Corporation, Taiwan, 'YM Eminence' was delivered in April 2008, whereas 'YM Elixir' and 'YM Enhancer' are expected to be delivered in June and October this year respectively.

Following their respective deliveries, the vessels will trade in YML's Intra-Asia and Asia-Europe liner services. Classed with Lloyd's Register of Shipping and flying the Liberia flag, FSL Trust will own the vessels through three Marshall Islands special purpose companies.

From its initial portfolio of 13 vessels at listing, FSL Trust will have a portfolio of 23 vessels after successful closing of the third Yang Ming vessel by end October 2008, comprising seven containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers.

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### **About First Ship Lease Trust (“FSL 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. Upon successful closing of the third Yang Ming vessel by end October 2008, FSL Trust will have a diverse portfolio of 23 modern and high quality vessels, consisting of seven containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers. These vessels have an average age of approximately 3.2 years<sup>^</sup>, and an average remaining lease period of approximately 9.2 years<sup>^</sup> (excluding extension periods and early buy-out options).

FSL Trust is listed on the Singapore Exchange Securities Trading Limited and is managed by FSL Trust Management Pte. Ltd. (“FSLTM”), the Trustee-Manager. FSLTM is focused on rapidly growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters. With the Yang Ming acquisitions, it would have doubled the asset size of its portfolio since its listing in March 2007.

<sup>^</sup> Dollar weighted average as at 31 May 2008 and assuming addition of all three container vessels as at 31 May 2008

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*This news release 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.*

*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.*