



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

**FIRST SHIP LEASE TRUST ANNOUNCES DOCUMENTATION CLOSING
OF LOAN-TO-VALUE WAIVER ARRANGEMENT WITH LENDERS**

Singapore, 29 October 2009 - FSL Trust Management Pte Ltd ("FSLTM"), Trustee-Manager of First Ship Lease Trust ("FSL Trust"), today announced the documentation closing for the loan-to-value covenant waiver arrangement with its syndicate of lenders.

This announcement follows the earlier announcements "FSL Trust secures 2-year waiver for loan-to-value covenants from Lenders" and "FSL Trust provides further information on loan-to-value covenant waiver arrangement with Lenders", dated 2nd and 3rd September 2009 respectively¹.

The waiver arrangement will extend until the end of 2Q 2011 ("the Waiver Period"). During this Waiver Period, the minimum coverage ratio of the charter-free fair market value of FSL Trust's vessel portfolio over its outstanding indebtedness is reduced from 145% to 100%. Under the waiver arrangement, FSL Trust will make quarterly loan repayment of US\$8 million and all loan tranches under FSL Trust's credit facility will bear a higher interest margin of 1.7% over the 3-month US\$ LIBOR on the outstanding loan amount during the Waiver Period. The interest margin increase during the Waiver Period is between 50-70 bps, and the margin increase will be reduced to 25 bps across all tranches upon the expiry of the Waiver Period.

Mr Cheong Chee Tham, Chief Financial Officer of FSLTM said: "We are pleased to have completed the documentation of this waiver arrangement with our lenders. This is a milestone and a testament to the strong support and relationship that FSL Trust enjoys with its lenders."

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¹ The press releases are available on www.FSLTrust.com.

About First Ship Lease Trust (“FSL Trust”)

First Ship Lease Trust (Reuters: FSLT.SI; Bloomberg: FSLT SP; OTCQX: FSHPY) is a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. FSL Trust has a diversified 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 4.5 years[^] and an average remaining lease period of approximately 8.0 years[^] (excluding extension periods and early buy-out options).

FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and its American Depository Receipts (“ADRs”) are quoted on the PrimeQX tier of International OTCQX. It is managed by FSL Trust Management Pte. Ltd. (“FSLTM”), the Trustee-Manager. FSLTM is focused on growing the vessel portfolio of FSL Trust through acquisitions of vessels with long-term bareboat charters. More details on FSL Trust are available at www.FSLTrust.com.

[^] As at 30 September 2009, and on a dollar-weighted average basis by net book value.

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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.