



FIRST SHIP LEASE TRUST

(a business trust constituted on 19 March 2007 under the laws of the Republic of Singapore)

MANAGED BY

FSL TRUST MANAGEMENT PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 200702265R
(as Trustee-Manager of First Ship Lease Trust)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE UNITHOLDERS

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of First Ship Lease Trust ("FSL Trust") will be held at 3.00 p.m. on Wednesday, 14 April 2010 at Marina Mandarin Singapore, Level 1, Capricorn Ballroom, 6 Raffles Boulevard, Marina Square, Singapore 039594 (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of FSL Trust to be held at 2.30 p.m. on the same day and at the same place) for the purpose of transacting the following business:

EXTRAORDINARY RESOLUTIONS

1. The Proposed Alteration to the Trust Deed for the Extension of Distribution Payment Period

That approval be and is hereby given to alter the definition of "Distribution Date" set out under Clause 1.1 of the trust deed dated 19 March 2007 constituting FSL Trust (the "Trust Deed") in the manner set out in Appendix A of the Circular to Unitholders dated 23 March 2010 (the "Circular"). **(Extraordinary Resolution 1)**

2. The Proposed Alterations to the Trust Deed to Clarify the Basis for Acquisition Fee and Divestment Fee Calculation

That approval be and is hereby given to alter Clause 11.3.1 and Clause 11.4 of the Trust Deed in the manner set out in Appendix B of the Circular. **(Extraordinary Resolution 2)**

3. The Proposed Alterations to the Trust Deed to Allow Future Purchases of Units

That approval be and is hereby given to alter the Trust Deed in the manner set out in Appendix C of the Circular. **(Extraordinary Resolution 3)**

ORDINARY RESOLUTION

4. The Proposed Unit Buy-back Mandate

Subject to Unitholders' approval for the passing of Extraordinary Resolution 3, that:

(a) the exercise by the Trustee-Manager of all the powers of FSL Trust to purchase or otherwise acquire units of FSL Trust ("Units") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Trustee-Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
- off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme (as defined in the Trust Deed) which shall not be determined or formulated by the Trustee-Manager as it considers fit, which scheme shall satisfy all the conditions prescribed in accordance with the Trust Deed,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Unit Buy-back Mandate");

(b) unless varied or revoked by unitholders of FSL Trust (the "Unitholders") in a general meeting, the authority conferred on the Trustee-Manager pursuant to the Unit Buy-back Mandate may be exercised by the Trustee-Manager at any time during the Relevant Period (as hereafter defined); and

(c) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing such documents or other action as may be required) as it may consider necessary, expedient or in the interests of FSL Trust to give effect to the transactions contemplated and/or authorised by this Resolution.

In this Resolution:

"Maximum Limit" means that the number of Units representing not more than 10 per cent. of the total number of issued Units of FSL Trust as at the date of the passing of this Resolution; and

"Relevant Period" means the period commencing from the date on which the EGM is held and this Resolution is passed, and expiring on:

- the date on which the next annual general meeting of Unitholders is held;
- the date by which the next annual general meeting of Unitholders is required by law or the Trust Deed to be held; or
- the date on which the purchases of Units by the Trustee-Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated,

whichever is earlier; and

"Maximum Price" in relation to a Unit to be purchased, means an amount (excluding related expenses of the purchase) not exceeding:

- in the case of a Market Purchase: 105% of the Average Closing Market Price
- in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price

where:

"Average Closing Market Price" means the average of the closing market prices of a Unit over the last five (5) Market Days, on which transactions in Units were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period in accordance with Rule 884 of the SGX-ST Listing Manual;

"Highest Last Dealt Price" means the highest price transacted for a Unit as recorded on the Market Day on which there were trades in the Units immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Trustee-Manager announces its intention to make an offer for the purchase of Units from Unitholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(Ordinary Resolution 4)

By Order of the Board

Rebecca Cheng Pei Juan
Company Secretary
23 March 2010

Notes:

- A Unitholder entitled to attend and vote at the Extraordinary General Meeting of the Unitholders of First Ship Lease Trust may appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder of First Ship Lease Trust.
- The instrument appointing a proxy must be deposited at the registered office of FSL Trust Management Pte. Ltd. at 9 Temasek Boulevard #19-03 Suntec Tower Two Singapore 038989 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
- The Trustee-Manager intends to use FSL Trust's internal sources of funds or external borrowings or a combination of both to finance the Trustee-Manager's purchase of Units on behalf of FSL Trust, pursuant to the Unit Buy-back Mandate.

For illustrative purposes only: the financial effects of the Unit Buy-back Mandate on FSL Trust are based on the audited financial statements of FSL Trust for the financial year ended 31 December 2009 and on the assumptions set out below:

- based on 598,665,077 Units in issue as at the Latest Practicable Date and assuming no further Units are issued on or prior to the Extraordinary General Meeting at which the Unit Buy-back Mandate is approved and before the expiry of the Relevant Period, not more than 59,866,507 Units (representing approximately 10 per cent. of the issued Units) may be purchased by the Trustee-Manager pursuant to the Unit Buy-back Mandate;
- that purchases of Units are made to the extent as aforesaid;
- the Unit Buy-back Mandate had been effective on 1 January 2009;
- the Distribution for the quarters ended 31 March 2009 and 30 June 2009 is at US\$0.0245 per Unit and for the quarters ended 30 September 2009 and 31 December 2009 is at US\$0.0150 per Unit;
- the Trustee-Manager had purchased the Units on the last day of the financial year with cash retained for the year;
- Units purchased on the last day of the financial year are included in computing the pro forma financial effects of the financial year; and
- incentive fees, where applicable, are waived.

Assuming that the Trustee-Manager purchases the 59,866,507 Units at the Maximum Price, the maximum amount of funds required is approximately:

- in the case of Market Purchases, US\$27,131,501, based on US\$0.4532 for each Unit (being 105% of the Average Closing Price of a Unit immediately preceding the Latest Practicable Date); and
- in the case of an Off-Market Purchase, US\$31,004,864, based on US\$0.5179 for each Unit (being 120% of the Highest Last Dealt Price of a Unit immediately preceding the Latest Practicable Date).

Based on the audited financial statements of FSL Trust for the financial year ended 31 December 2009, after the requisite deductions of cash amounts earmarked for loan repayment, Distribution payments and expenses, the cash resources available for the Trustee-Manager to undertake Unit Buy-backs is US\$1,691,000. Accordingly, the Trustee-Manager will be able to purchase, for the duration of the Unit Buy-back Mandate, approximately up to:

- 3,731,000 Units, in the case of Market Purchases, representing approximately 0.62% of the total number of issued Units as at the Latest Practicable Date; and
- 3,265,000 Units, in the case of Off-Market Purchases, representing approximately 0.55% of the total number of issued Units as at the Latest Practicable Date.

On the basis of the above, the financial effects of the purchase of such Units by the Trustee-Manager on the audited financial statements of FSL Trust for the financial year ended 31 December 2009 would be as set out in Appendices D and E of the Circular.