



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

9 Temasek Boulevard, #19-03 Suntec Tower Two, Singapore 038989

Tel: 65 6836 3000 Fax: 65 6836 6001 Co. Reg. No. 200702265R

For Immediate Release

First Ship Lease Trust to acquire its first Long Range II Product Tanker for US\$46 million

- **Vessel will be leased back to TORM on a 7-year bareboat charter and further diversifies customer base to eight lessees**
- **Deal will be cash flow accretive and will boost the Trust's total remaining contracted revenue to US\$602 million**
- **Acquisition will be fully financed by bank borrowing and proceeds from previous equity issue**

Singapore, 1 June 2011 – FSL Trust Management Pte. Ltd. (“FSLTM”), the Trustee-Manager of First Ship Lease Trust (“FSL Trust” or the “Trust”) is pleased to announce today that FSL Trust has entered into a definitive agreement to acquire its first Long Range II (LR2) product tanker from TORM Singapore Pte. Ltd., a wholly-owned subsidiary of TORM A/S (“TORM”) for US\$46 million. The *MT TORM Margrethe* is a 2006-built, 109,672 dwt product tanker constructed by Dalian Shipbuilding Industry Co. Ltd. Vessel delivery is scheduled to take place within June 2011.

Upon acquisition, the *MT TORM Margrethe*, which will trade worldwide and fly the Singapore flag, will be immediately leased back to TORM Singapore on a bareboat charter basis for a base lease term of seven years. The bareboat charter agreement is structured with recourse to TORM and contains a purchase option at the expiry of the base lease term, an early buy-out option on or after the fifth anniversary of the lease term, as well as three extension options of one year each. FSL Trust will own *MT TORM Margrethe* through a wholly-owned single purpose Singapore incorporated subsidiary.

The transaction will be immediately cash flow accretive to the Trust and will increase the Trust's total remaining contracted revenue to US\$602 million, excluding extension options. The average remaining lease term of the Trust's portfolio will also remain at the current 6.8 years.

The acquisition of *MT TORM Margrethe* will increase the Trust's portfolio size to 24 vessels, up from the current 23, and the Trust will count TORM among its diverse base of eight reputable lessees. TORM, one of the world's leading carriers of refined oil products, operates a fleet of around 140 vessels globally. TORM's shares are listed on NASDAQ OMX Copenhagen and on NASDAQ in New York.

The US\$46 million acquisition of *MT TORM Margrethe* will be fully financed by the drawdown of US\$23 million from the Trust's existing revolving credit facility and the utilisation of US\$23 million from the previous equity issue in September 2009 which raised net proceeds of US\$28.3 million. After the funding of this transaction, the total projected outstanding secured debt of the Trust as at 1 July 2011 is approximately US\$460 million.

Mr Vijay Kamath, Senior Vice-President and Head of Sales of FSLTM, said: "This acquisition is a testament that there are always good clients and value accretive deals in any part of a shipping cycle. We believe that the growing demand for alternative shipping finance such as ship leasing will present a healthy pipeline of transaction opportunities that we are well-positioned to take advantage of.

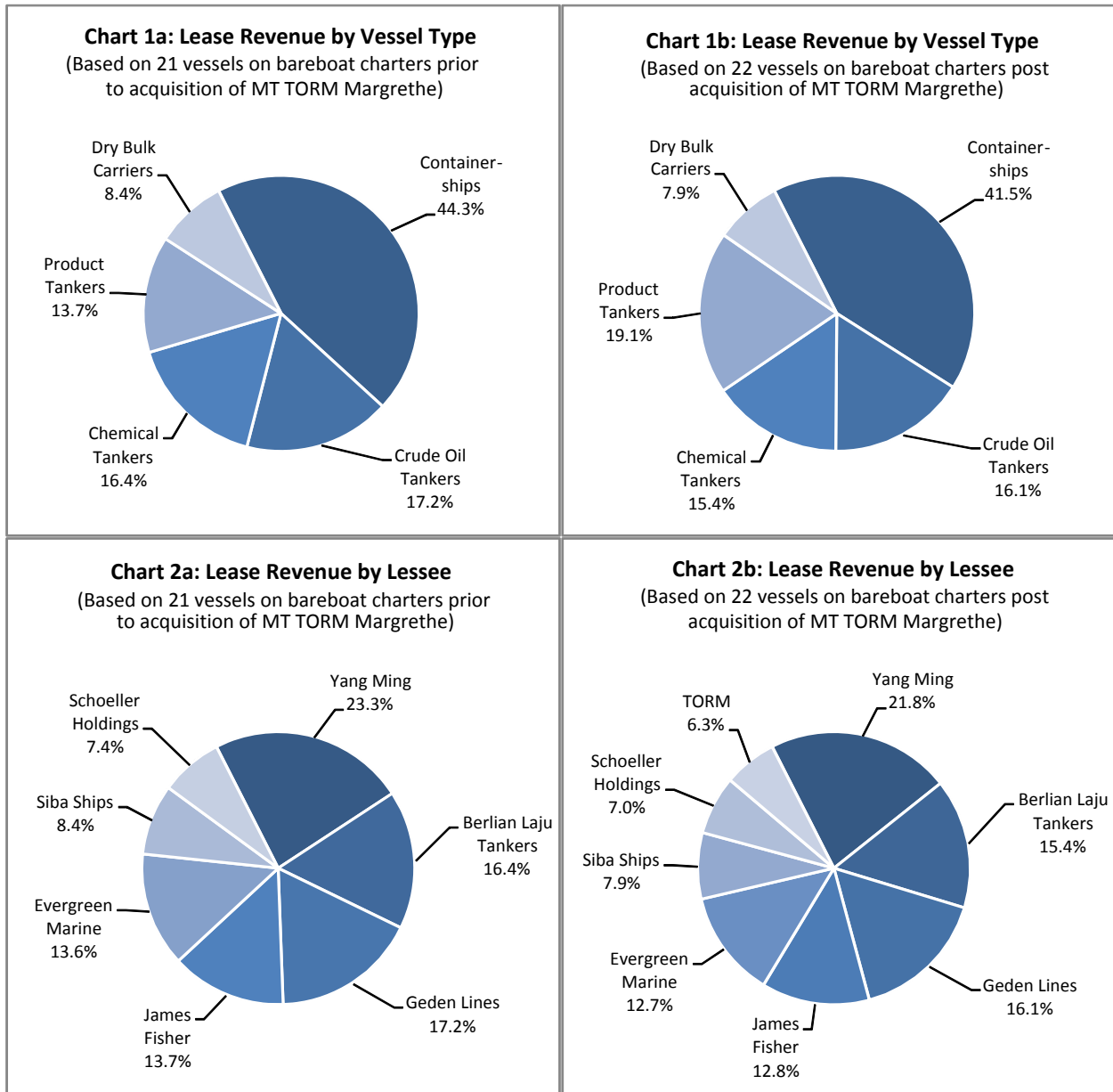
"While we now have the flexibility to take on both time and bareboat charters with terms shorter than seven years, our ship leasing business will remain "long-biased". We aim to grow and diversify our vessel and client portfolio prudently to reinforce the sustainability of the long-term cash flow that underpins our distributions to unitholders."

FSL Trust Management Pte. Ltd. will make a further announcement once the acquisition is completed.

- ends-

Appendix:

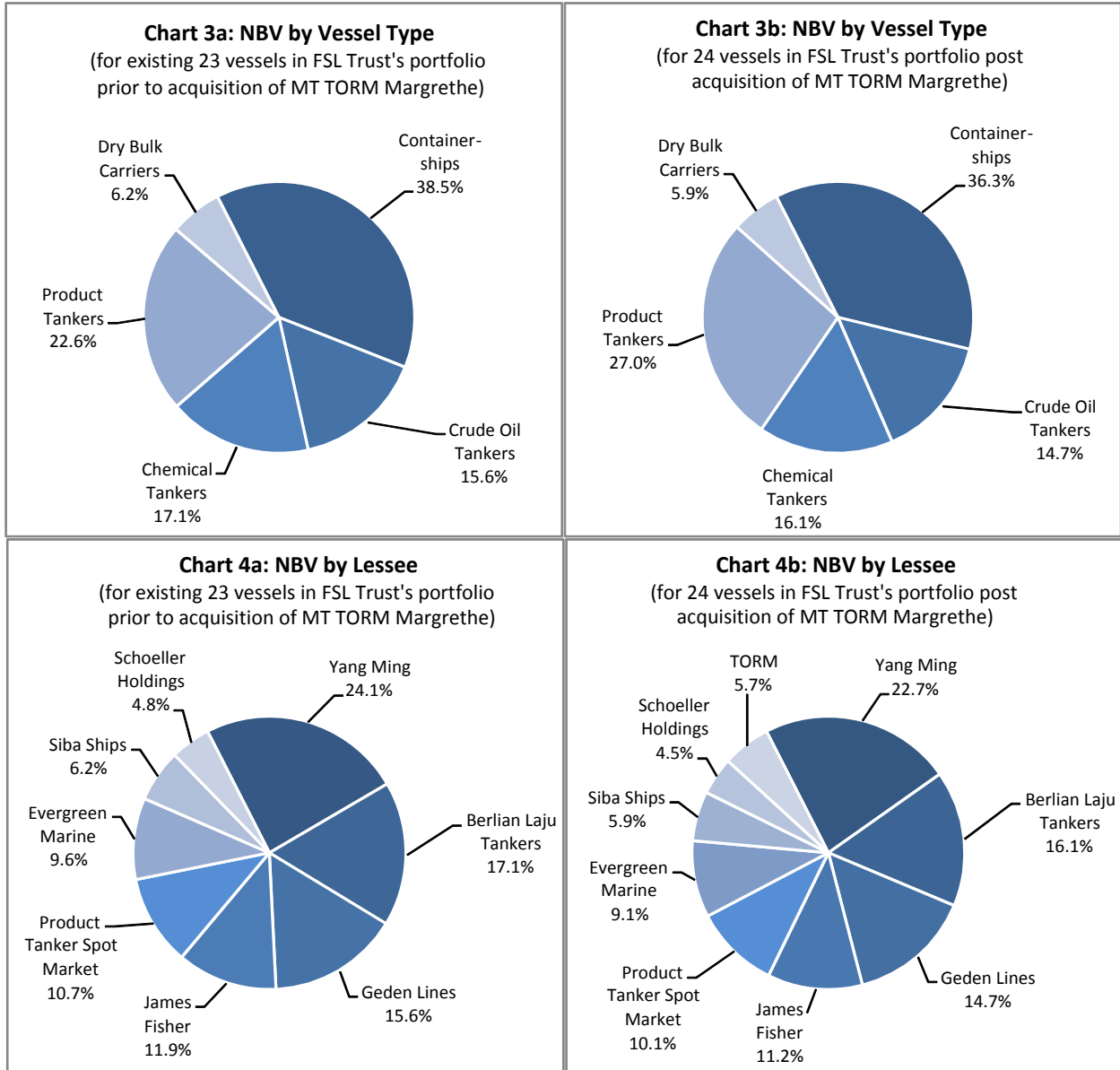
Comparison of Lease Revenue profile prior and post acquisition of MT TORM Margrethe



Note: Charts 1a and 2a are based on annualised revenue of US\$86 million; Charts 1b and 2b are based on annualised revenue of US\$92 million. In all the charts, the daily lease rentals from the two vessels leased to Geden Lines are assumed to be fixed at US\$20,335 per vessel.

Appendix:

Comparison of portfolio Net Book Value prior and post acquisition of MT TORM Margrethe



Note: Net book value of the existing 23 vessels prior to the acquisition of MT TORM Margrethe as at 31 March 2011 is US\$759.5 million. Pro forma net book value of the 24 vessels post acquisition of MT TORM Margrethe as at 31 March 2011 is US\$805.5 million.

About TORM

TORM is one of the world's leading carriers of refined oil products as well as a significant player in the dry bulk market. The Company runs a fleet of approximately 140 modern vessels in cooperation with other respected shipping companies sharing TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM) and on NASDAQ in New York (ticker: TRMD). For further information, please visit www.torm.com

About First Ship Lease Trust

First Ship Lease Trust ("FSL Trust" or the "Trust") is a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has a diversified portfolio of 23 modern and high quality vessels, comprising seven containerships, nine product tankers, three chemical tankers, two dry bulk carriers and two crude oil tankers. Of these, 21 vessels are leased to seven reputable international shipping companies on long-term bareboat charter basis and two vessels are presently deployed in the product tanker spot market.

FSL Trust is managed by FSL Trust Management Pte. Ltd., the trustee-manager. The trustee-manager aims to grow and diversify the Trust's portfolio through accretive acquisitions of vessel with leases, to increase predictable cashflow generation and to provide sustainable regular cash distributions to unitholders of the Trust.

FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) and its American Depositary Receipts (ADRs) are quoted on the PrimeQX tier of International OTCQX. FSL Trust is a component stock of the FTSE ST Maritime Index.

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.

Contacts:

OakTree Advisers - Investor Relations and Media enquiries

Ms. Jasmine Zhao

Telephone: +65 6100-1811

email: jasminezhao@oaktreadvisers.com

The IGB Group - Investor Relations enquiries (United States)

Mr. Michael CIMINI

Telephone: +1 212-477-8261

email: mcimini@igbir.com