



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FSL Trust raises S\$20 million via fully-underwritten private placement of 56 million New Units

- **Proceeds will help fund the acquisition of its second Long Range II Product Tanker**
- **Acquisition is accretive to distributable cash flow per unit after the effect of the private placement**
- **FSL Trust stays on course to grow and further diversify its vessel and client portfolio**

Singapore, 9 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 that the Trust has successfully raised S\$20 million or US\$16 million¹ through a private placement (the “Placement”) of 56 million New Units at S\$0.35 each (the “Issue Price”).

The issue is fully underwritten by OCBC Bank². The warm response from the investor community reflects investor confidence in the Trust’s business and prospects despite the continued challenging environment of the shipping industry. This is also in line with the recent upgrade of FSL Trust’s outlook from ‘negative’ to ‘stable’ by ratings agency, Fitch Ratings.

The net proceeds³ of approximately US\$15 million¹ raised from the Placement (the “Proceeds”) will be deployed as part of the funding for the US\$46 million acquisition of *MT TORM Marie*, the Trust’s recently announced second Long Range II Product Tanker transaction (*please see separate press release dated 9 June 2011 for more details*). FSLTM will make a separate announcement as and when the Proceeds are utilised.

¹ Based on exchange rate of US\$1.00 to S\$1.23

² Oversea-Chinese Banking Corporation Limited

³ After the deduction of the fees and expenses relating to the Placement

Said Mr Philip Clausius, President and Chief Executive Officer of FSLTM: “The interest for the private placement underscores the belief investors have in FSL Trust and its business model. Even on the enlarged unitholder base, the second vessel transaction is still net cash flow accretive on a per unit basis and unitholders are not diluted in terms of their distribution per unit.

“We will continue to look out for “value” opportunities in the shipping lease market which broaden our portfolio and enhance the Trust’s earnings quality. The Trust remains “long-biased” in its search for new leases so that unitholders will be rewarded with distributions which are backed by sustainable long-term cash flow.”

The Issue Price represents a discount of approximately 6.4 per cent to S\$0.374, the volume weighted average price of the units traded on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the full market day on 8 June 2011 (the day preceding the time the placement agreement was signed) and adjusted to exclude the estimated Stub Distribution⁴ of 0.87 US cents to be distributed to the holders of the Existing Units⁵.

In conjunction with the Placement, FSLTM has declared a Stub Distribution for the period from 1 April 2011 to the day immediately preceding the date on which the New Units will be issued under the Placement (the New Units are expected to be issued on 23 June 2011), instead of the full quarter ending 30 June 2011. The next distribution following the Stub Distribution is expected to be in respect of the period from the day the New Units are issued under the Placement to 30 June 2011. Quarterly distributions are expected to resume thereafter.

FSLTM, on behalf of FSL Trust, will make a formal application to the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST and the completion of the Placement is subject to, *inter alia*, such approval-in-principle (“AIP”) being obtained.

The New Units are expected to be listed on the SGX-ST on 24 June 2011 and holders of the New Units will not be entitled to the Stub Distribution. However, the New Units will be ranked equally with the other existing units and will be entitled to all future distributions after the Stub Distribution. The Stub Distribution is to ensure fairness to the existing Unitholders. Representing 8.6% on an enlarged basis, the issue of the New Units will raise the total number of units in issue to 654,665,077.

⁴ Distribution for the period from 1 April 2011 to the day immediately preceding the date on which the New Units will be issued under the Placement. The New Units are expected to be issued on 23 June 2011.

⁵ Units in FSL Trust in issue on the day immediately prior to the date on which the New Units will be issued under the Placement.

Table 1

	Estimated Distribution For Period 1 April 2011 to 22 June 2011* (Estimated Stub Distribution)	Estimated Distribution for Period 23 June 2011 to 30 June 2011	Distribution per unit for 1 April 2011 to 30 June 2011
Existing Units	0.87 US cents per unit	0.08 US cents per unit	0.95 US cents per unit (Estimated)
New Units (issued under Placement)	Not applicable	0.08 US cents per unit	0.08 US cents per unit (Estimated)

* Estimated only and subject to AIP and assuming that the New Units are issued on 23 June 2011. The actual amounts of distribution will be announced when they are determined.

Note:

- This press release should be read and understood only in conjunction with the full text of FSL Trust’s announcements lodged on SGXNET on 9 June 2011 on the same subject.
- This announcement is not an offer to sell or a solicitation of an offer to buy the New Units or any other securities within the United States. The New Units have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities laws, and are being offered for sale to persons outside the United States in compliance with Regulation S of the Securities Act. Unless so registered, the New Units may not be offered or sold in the United States except pursuant to an exemption from registration requirements of the Securities Act and applicable state securities laws. This announcement is not being, and should not be, distributed in or sent into the United States.

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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 of 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 Depository Receipts 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.

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