



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

The Board of Directors
FSL Trust Management Pte Ltd
(in its capacity as Trustee-Manager
of First Ship Lease Trust)
9 Temasek Boulevard
#19-03 Suntec Tower Two
Singapore 038989

Our ref KT/EC/116

Contact Kenny Tan
(+65 6213 2836)

Attention: Mr Cheong Chee Tham

20 July 2011

Dear Sirs

First Ship Lease Trust
Independent auditor's report on review of condensed consolidated interim
financial information for the period ended 30 June 2011

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of First Ship Lease Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the condensed statements of financial position of the Group and the Trust as at 30 June 2011, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in unitholders' funds and condensed consolidated statement of cash flows of the Group for the period then ended and certain explanatory notes (the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of Matter

Without qualifying our review report, we draw attention to Note 3 of the condensed consolidated interim financial information which states that the condensed consolidated interim financial information for the period ended 30 June 2011 have been prepared on a going concern basis notwithstanding the deficiency in net current assets of US\$246.5million as at 30 June 2011. Under the Trust's financing arrangements, US\$229.9million matures on 2 April 2012. This loan balance, which is due within the next 12 months, has been classified within current liabilities. In connection with this, the Trustee-Manager is currently reviewing and evaluating various re-financing options with the banks (the "re-financing plan").

If the Trust is unable to complete the re-financing plan, and since the current working capital is not sufficient to settle the loan balance of US\$229.9million, these conditions indicate the existence of a material uncertainty that may affect the Group's ability to continue as a going concern. The accompanying condensed consolidated interim financial information does not include any adjustments that might result from the outcome of this material uncertainty.

Restriction on use

Our report is provided on the basis that it is solely for the private information of the directors of FSL Trust Management Pte. Ltd. and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of FSL Trust Management Pte. Ltd., the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully



KPMG LLP
Public Accountants and
Certified Public Accountants

20 July 2011