



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

Settlement for Daxin Proceedings

Singapore, 9 November 2011 – FSL Trust Management Pte. Ltd. (“FSLTM”), the trustee-manager of First Ship Lease Trust (“FSL Trust”), refers to the previous announcement titled “Appeals in Proceedings in Japan and PRC” dated 12 August 2011 as well as the update set out in the unaudited financial statements announced on 20 October 2011 on the legal proceedings between FSL Trust and Daxin Petroleum Pte. Ltd. (“Daxin”) and its affiliated parties.

FSLTM is pleased to announce that parties have reached an amicable out-of-court settlement on a without-admission-of-liability basis.

Daxin and its affiliated parties have agreed to :

- a. cease all legal proceedings in Japan and PRC against the vessels ‘Verona I’ (now renamed ‘FSL Singapore’) and ‘Nika I’ (now renamed ‘FSL Hamburg’) respectively;
- b. secure the release of the US\$1.6 million cash deposit currently placed by FSL Trust with the Japanese court for proceedings in Japan as well as the US\$2.8 million bank guarantee currently issued to Daxin for proceedings in the PRC; and
- c. pay to FSL Trust a settlement sum of US\$5 million by 14 November 2011.

In view of the settlement agreement, FSLTM will write-back the financial provision made earlier for US\$2.5 million in the financial statements of FSL Trust for the financial quarter ending 31 December 2011. In addition, US\$5 million will be recognised in the income statement for the same quarter. FSL Trust’s cash balance will be increased by US\$5 million and the return of the US\$1.6 million from the deposit placed with the Japanese court, less payments of any outstanding legal fees.

--ends--

About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI; OTCQX: FSHPY)

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 25 modern and high quality vessels, comprising seven containerships, eleven product tankers, three chemical tankers, two crude oil tankers and two dry bulk carriers. Of these, 23 vessels are leased to eight 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 (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

Ms. Nora CHENG
Telephone: +65 6100-1811
email: noracheng@oaktreadvisers.com

OakTree Advisers

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