



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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## **For immediate release**

### **BLT SUBSIDIARIES DEFAULT ON LEASE OBLIGATIONS**

**Singapore, 7 February 2012** - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**"), wishes to announce that the lessees (the "**Lessees**") of three chemical tankers, namely, Pertiwi, Prita Dewi and Pujawati (the "**Vessels**"), have defaulted on their lease payments under their respective lease agreements (the "**Lease Agreements**") in February 2012. The Lessees are wholly-owned subsidiaries of PT Berlian Laju Tanker Tbk ("**BLT**").

FSL Trust currently leases the Vessels, through special purpose companies (the "**Vessel Owners**"), under a 12-year bareboat charter each to the Lessees until 2018. Each Lessee is obliged to pay the relevant charter hire due under the relevant Lease Agreement on the first day of each calendar month. As of the date of this announcement, the Lessees have not made payment for the Vessels for the month of February 2012.

The obligations of the Lessees under the Lease Agreements are guaranteed by BLT pursuant to deeds of guarantee entered into between the respective Vessel Owners and BLT, the guarantor.

In view of the foregoing, the Vessel Owners have, by written notice to the Lessees in accordance with the terms of the relevant Lease Agreements, on 7 February 2012, declared the Lease Agreements to be in default, and have demanded payment by no later than 8 March 2012 for:

- (i) the charter hire which fell due in February 2012;
- (ii) the stipulated loss value, being the outstanding value of the unexpired term of the relevant lease (including the residual value of the relevant Vessel at the expiry of the relevant lease); and
- (iii) default interest on the sums set out in paragraphs (i) and (ii) above.

The default would have a material impact on the net tangible assets (“**NTA**”) per unit of FSL Trust. Based on the financial statements announced for the year ended 31 December 2011, the NTA per unit is expected to decrease by US\$0.03 from US\$0.53 to US\$0.50.

The Lessees’ contribution to FSL Trust’s total revenue for FY2011 was 12.8%. Nevertheless, barring unforeseen circumstances, the default by the Lessees will not cause FSL Trust to be unable to continue to service the debt obligations under its loan agreement.

As of 31 December 2011, FSL Trust’s existing portfolio of 20 vessels employed on long-term bareboat charters has a remaining contracted revenue of US\$491.8 million and a dollar-weighted average remaining lease term of six years (excluding early buyout and extension options).

FSLTM is considering all options including, without limitation, repossessing the Vessels and enforcing the deeds of guarantees against BLT. Based on the current environment, alternative employment opportunities for the Vessels are available, albeit at lease rates lower than those contracted in the Lease Agreements. FSLTM already has technical and commercial management contingency plans in place.

For the month of February 2012, FSL Trust has received all the lease payments due from all other customers. FSLTM will make further announcements as and when there are material developments in this matter.

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**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.

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 vessels with leases, to increase predictable cashflow generation and to provide 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 and the MSCI Global Micro Cap index.

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*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 the current view of management on future events.*

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