



Annual General Meeting 11 April 2012



FSL Trust Management Pte. Ltd.
as Trustee-Manager for FSL Trust

www.FSLTrust.com

Disclaimer



Certain statements in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “plan”, “potential”, “may”, “should”, “expect”, “pending”, and similar expressions identify forward-looking statements.

Forward-looking statements also include statements about our future growth prospects. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding our earnings, our ability to manage concentration and lessee credit risks, our ability to lease out or dispose vessels, our ability to implement our investment strategy, our dependence on credit facilities and new equity from capital markets to execute our investment strategy, the possibility of insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, our dependence on key personnel, FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSL Trust”), our short operating history, limited historical financial history for the Trust, the risk of government requisitions during periods of emergency or war, the possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, and the cyclical nature of the industry and fluctuations in vessel values. For further information, please see the documents and reports that we file with the Singapore Stock Exchange.

FSL Trust may, from time to time, make additional written and oral forward-looking statements, including our reports to unitholders. We do not undertake to update any forward-looking statements that may be made from time to time by or on behalf of FSL Trust.

Challenging Environment



Banks Tightening

Oversupply &
Weak Demand

Low Freight
Rates

Deteriorating
Asset Prices

Increasing
Counterparty Risk

Update on Recent Events



Realignment of charter terms for two TORM product tankers

- TORM announced a proposed long-term comprehensive financing solution after discussions with all its tonnage providers
- For FSL Trust, the following terms are subject to formal approval from our lenders:
 - Charter rates to be realigned to variable rates that TORM achieves in the market
 - Cancellation of early buyout, purchase and lease extension options
 - FSL Trust to be allocated equity in TORM
 - Option to terminate charters in the event that actual rates achieved by TORM underperform market benchmark by pre-agreed margin, tested semi-annually
- No material impact expected on net tangible assets per unit for FY2012
- Nature of renegotiated agreement allows FSL Trust to participate in benefits of eventual market recovery

Update on Recent Events



Redelivery of 3 chemical tankers from Berlian Laju Tanker (BLT)

- ❑ As of 10 March 2012, all 3 chemical tankers were redelivered (approx. 6 weeks without revenue)
- ❑ All 3 vessels are currently deployed in the spot market and will shortly enter the 'Nordic Siva' pool managed by Nordic Tankers
- ❑ In the pool structure, net earnings will be distributed monthly to FSL Trust and other vessel owners based on a pool point system
- ❑ We are exploring legal options on our residual claim against BLT

'FSL Singapore' to be deployed on three-year time charter

- ❑ Secures three-year time charter to Petrobras at gross rate of US\$14,000/day
- ❑ Brings stability and diversifies customer base
- ❑ Expected to commence within 2Q 2012¹

¹ Subject to physical inspection of the vessel at next discharge port.

Rationale for DPU Reduction



Prudent stance in tough shipping market

- ❑ Conserve cash and strengthen balance sheet to meet challenges and prepare for market upturn
- ❑ Manage loan covenants with banks
- ❑ Build a sustainable future
- ❑ Not a requirement by our lenders



Share Price Weakness and Challenges



Unrewarded for consistency and high dividends

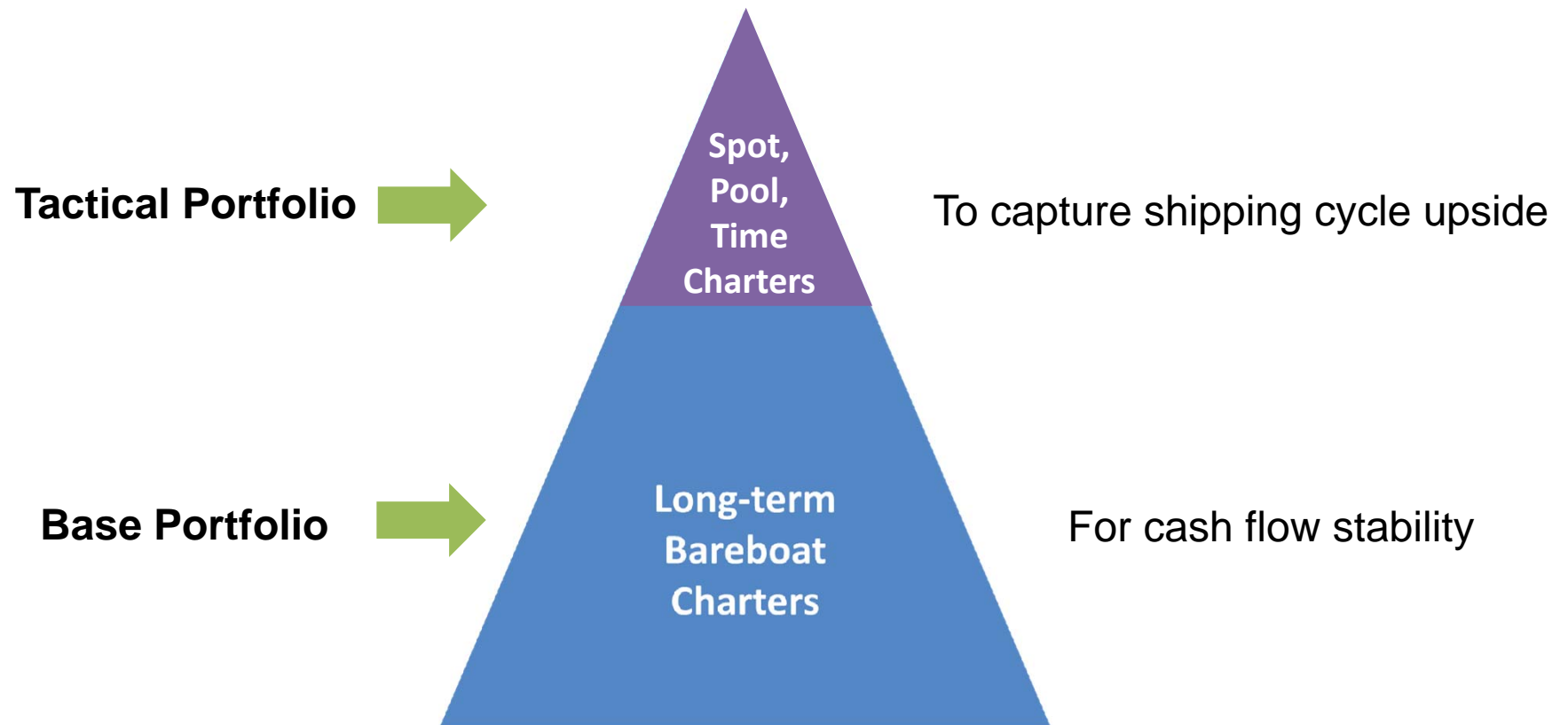
- ❑ Delivered approximately US\$180m in distributions since IPO in 2007
- ❑ Share price trading below net asset value
- ❑ Distribution uncorrelated with share price
- ❑ Undermines fund raising strategy for growth



A More Flexible Strategy



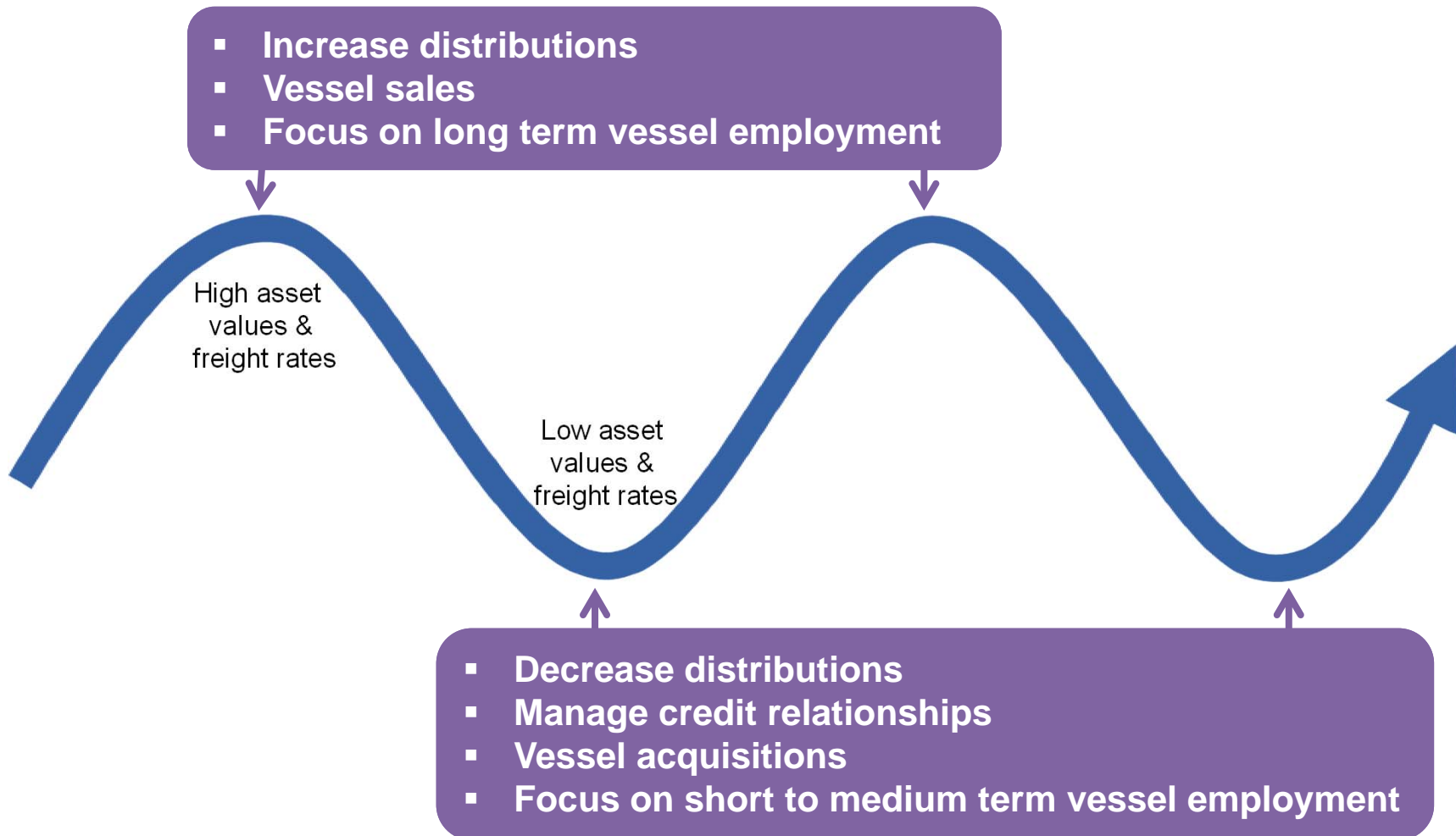
Vessel portfolio remains diversified across shipping segments and customers, and is largely focused on long-term bareboat charters



A More Flexible Strategy



To seize opportunities and overcome challenges of the shipping industry



We Are Here to Stay



Our Strengths – Asset Owner

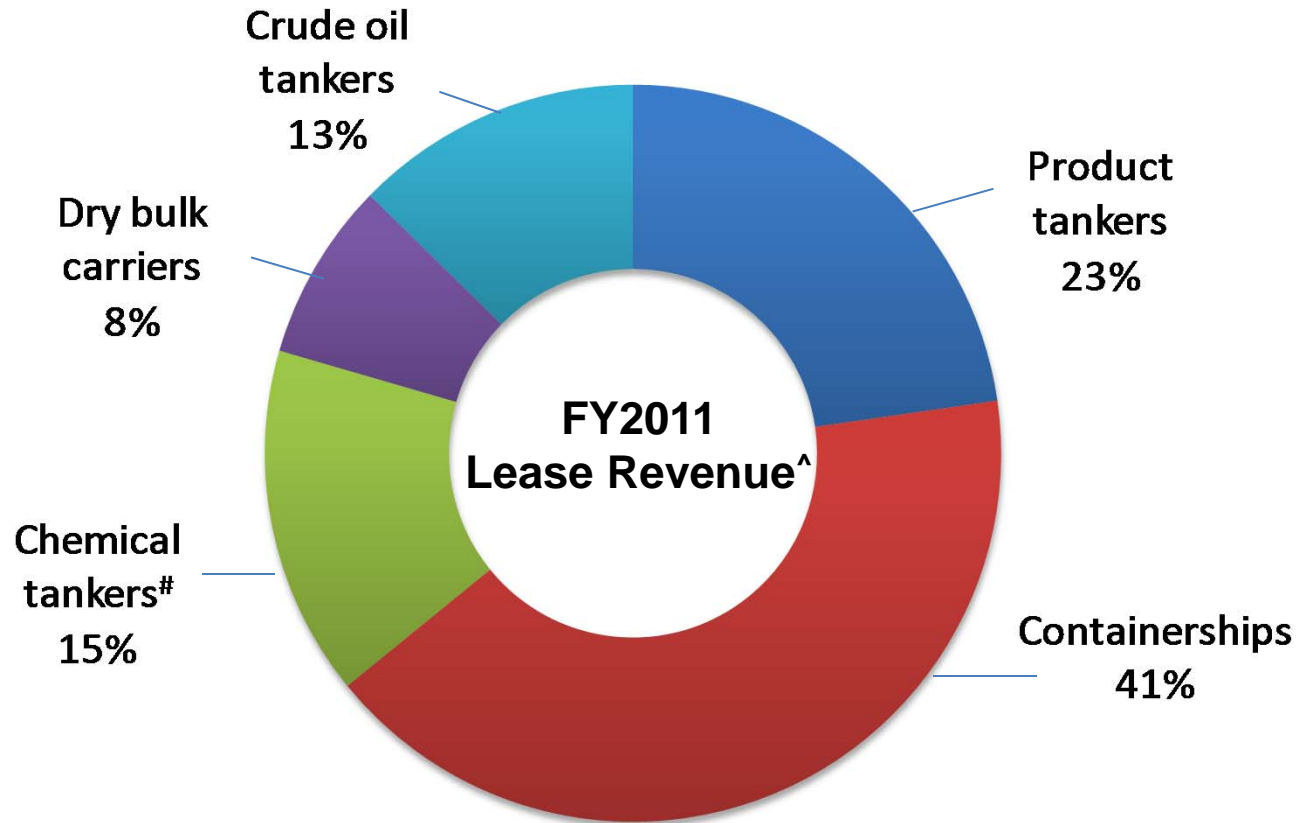


Ship owner, not lender

- ❑ Lessor to international ship operators on long term bareboat charters
- ❑ Fleet of 25 high quality vessels
- ❑ Young (average age of 6.5 years) and deployable
- ❑ Long remaining useful economic life with good earnings capability



Our Strengths – Diversified Revenue Portfolio



[^] Based on FY2011 operating lease revenue from 23 vessels on bareboat charters and bareboat charter equivalent revenue from two product tankers deployed in the spot market.

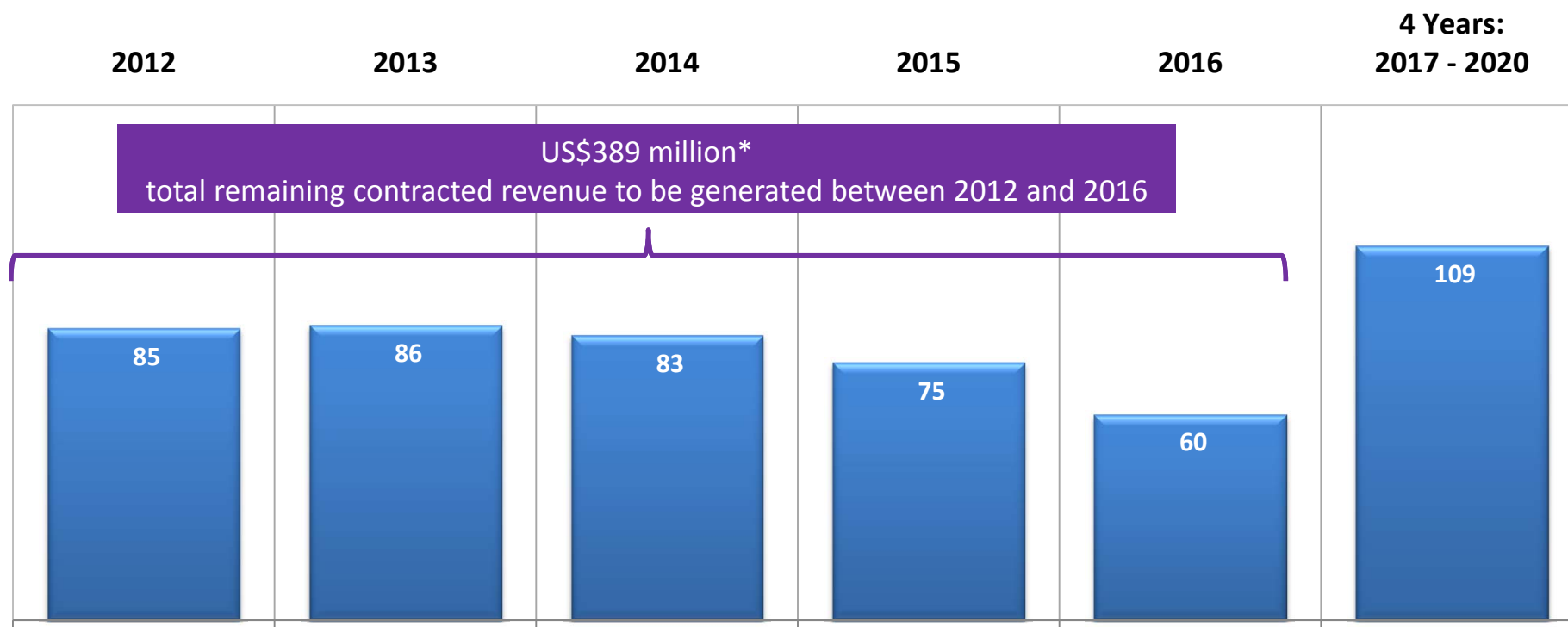
[#] The three chemical tankers will be deployed in a revenue pool within the first half of 2012.

Our Strengths

– ~US\$500m Lease Revenue Backlog



Underpins predictable long-term cash flow



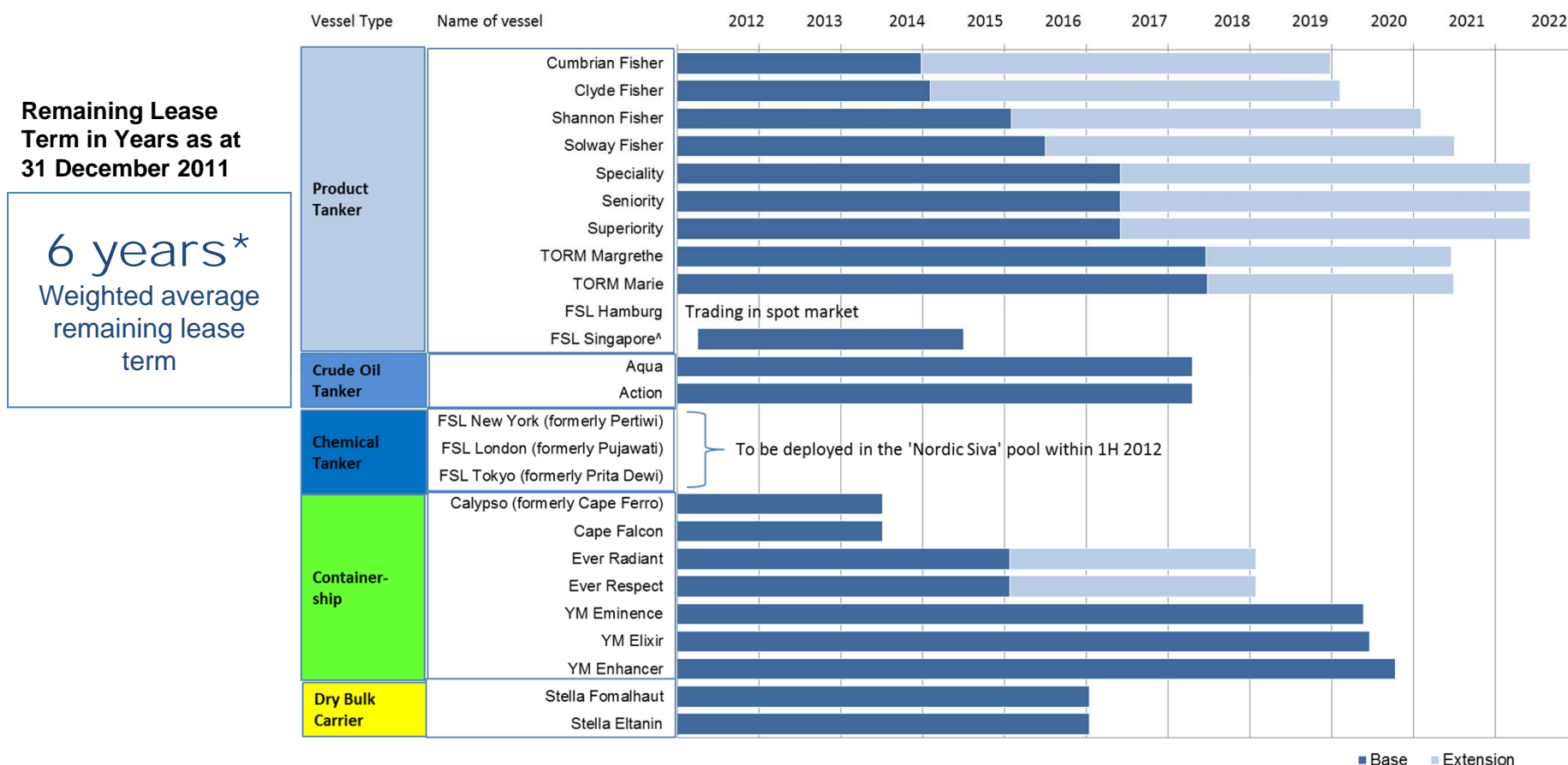
Remaining Contracted Lease Revenue (US\$million)

* Based on 20 vessels on long-term bareboat charters and one vessel on a three-year time-charter. Excludes extension and early buyout options.

Our Strengths – Long Charter Coverage



Staggered lease maturities mitigate re-delivery risk; earliest lease maturity in June 2014



* As at 31 December 2011, based on the 20 vessels on long-term bareboat charters and 'FSL Singapore' on a three-year time charter. Calculated on a dollar-weighted average basis by net book value and excludes extension and early buyout options.

[^] 'FSL Singapore' is expected to be deployed on a three-year time charter to Petrobras within 2Q 2012.

Our Strengths – Lender Support



Refinancing of loan facility

- ❑ US\$479.6m six-year amortising loan with quarterly amortisation of US\$11m
- ❑ Reflects lender confidence, particularly in this tough market
- ❑ Advantageously located in Asia, providing access to Asian and European banks



Positioned for the Upturn



- ❑ **Levered to recovery**
 - Vessels trading in the spot market and in the pool are ready to ride upturn
 - Rate increases expected for product tankers and chemical tankers
- ❑ **Tight bank financing**
 - Alternative financing to thrive
- ❑ **Asset prices becoming attractive**
 - Value accretive acquisitions
- ❑ **Access to banks/capital markets**
 - Located in Asia with reach to Asian and European banks/institutional investors

