



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For immediate release

FSL TRUST SECURES RELAXATION OF LOAN COVENANTS

- **Secures 12 months relaxation of two loan covenants**
- **Suspends distribution during Relaxation Period**

Singapore, 30 June 2012 - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**") wishes to announce that it has secured a temporary relaxation of two of its loan covenants from its lenders. The relaxation of covenants would be in effect for 12 months until end-June 2013 (the "**Relaxation Period**").

In view of the economic weakness in Europe and further deterioration in the shipping market, FSLTM requested for and was granted a temporary relaxation of two loan covenants from its lenders to address potential breaches over the next 12 months. The two covenants that the lenders have agreed to relax are the security value-to-loan ("**VTL**") ratio and the debt service coverage ("**DSC**") ratio.

During the Relaxation Period, the minimum VTL ratio, which is the minimum charter-free fair market value of FSL Trust's vessel portfolio over the outstanding loan balance, will be reduced from 125% to 100% while the DSC ratio will be relaxed from at least 1.1:1 to at least 1:1.

During the Relaxation Period, FSL Trust is restricted from paying any distributions to unitholders. The Trust will also incur an additional margin of 2% per annum on the shortfall amount, which is the difference between the outstanding loan balance and the theoretical loan balance assuming VTL ratio is 125%.

Mr. Cheong Chee Tham, Senior Vice President and Chief Financial Officer of FSLTM said: "Our lenders' continued support during these challenging times affirms their confidence in FSL Trust and reflects the strong relationship we have with our lenders. The relaxation of the covenants

cushions the Trust from the economic uncertainties and depressed vessel valuations expected over the next 12 months.”

Mr. Philip Clausius, Chief Executive Officer of FSLTM said: “We wish to highlight that our portfolio of fixed rate charters continues to provide stable cash flows that enables us to service our debt obligations and progressively reduce our outstanding loan balance.”

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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, 11 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.

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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