



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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## For immediate release

### FSL TRUST PROVIDES UPDATE ON TORM CHARTERS

**Singapore, 3 October 2012** - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**") refers to its earlier announcement "FSL Trust renegotiates charter terms for TORM product tankers" made on 10 April 2012 and wishes to provide an update.

On 2 October 2012, TORM A/S ("**TORM**") announced the signing of a restructuring agreement with its banks and tonnage providers that will secure for TORM substantial deferral of its bank debt, new liquidity and savings from its restructured time charter book<sup>1</sup>. Subject to the technical completion of the restructuring agreement, which is expected within four weeks, tonnage providers, including FSL Trust, who have agreed to permanently amend their charter contracts, will receive in aggregate a 17.3% equity stake in the enlarged share capital of TORM.

As part of TORM's restructuring agreement, FSLTM had previously agreed to and obtained formal approval from its lenders for the realignment of the charter terms for its two TORM product tankers. The main realigned terms are:-

- a) Bareboat charter rates for the two product tankers will be variable rates that TORM achieves in the market.
- b) The early buyout, purchase and lease extension options in the original agreements are cancelled.

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<sup>1</sup> TORM's press release: "TORM signs restructuring agreement with its banks and time charter partners", 2 October 2012.

FSL Trust has the option to terminate the two charters before their maturity in 2018 if TORM underperforms the market benchmark rates by a pre-agreed margin, tested semi-annually.

FSLTM highlights that, barring unforeseen circumstances, the Trust will be able to service its debt obligations under its loan agreement even at the realigned charter rates.

Further announcements will be made 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, 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.

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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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