



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For immediate release

FSL TRUST DEMANDS REDELIVERY OF TWO CRUDE OIL TANKERS FOLLOWING DEFAULT BY GEDEN SUBSIDIARIES

Singapore, 14 June 2013 - 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 its two crude oil tankers, namely, *Aqua* and *Action*, have defaulted on their lease payments and FSLTM has today demanded the redelivery of these vessels. The Lessees are wholly-owned subsidiaries of Geden Holdings Ltd. ("**Geden**").

FSLTM had been in restructuring discussions with Geden since the end of 2012. However, as of the date of this announcement, the Lessees have failed to pay the agreed lease payments due for *Aqua* and *Action*. The obligations of the Lessees are guaranteed by Geden pursuant to the deeds of guarantee.

FSLTM has technical and commercial management contingency plans in place for the vessels and intends to deploy the vessels in the spot market for the short term whilst exploring longer term employment options. In the current market environment, lease rates are expected to be lower than those contracted in the lease agreements with the Lessees.

Barring unforeseen circumstances, FSL Trust's vessel portfolio is able to generate sufficient cash flows to satisfy the Trust's principal and interest payments. The default will not have a material impact on the net tangible assets per unit of FSL Trust.

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, 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.

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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