



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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**For immediate release**

## **CLARIFICATION ON EXTENSION ON COVENANTS RELAXATION**

**Singapore, 3 July 2013** - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**") refers to the announcement dated 10 June 2013 entitled "FSL Trust Obtains Extension of Covenants Relaxation" (the "**Announcement**"), in which it was announced that (a) FSLTM has successfully secured an extension (the "**Extension**") of the relaxation of its loan covenants by a further six months; and (b) FSL Trust's lenders have granted the extension until 31 December 2013 based on the same covenant relaxation terms as described in the previous announcement dated 30 June 2012 entitled "FSL Trust Secures Relaxation of Loan Covenants".

FSLTM would wish to clarify that, at the time when the Announcement was made, there was no board resolution approving the terms of the Extension. Notwithstanding the lack of any board resolution approving the terms of the Extension, FSLTM has also effected, on 27 June 2013, a prepayment of US\$10 million as required by FSL Trust's lenders for the Extension ("**Pre-Payment**").

FSLTM would however, also wish to clarify that all conditions for and terms of the Extension required by FSL Trust's lenders (including the Pre-Payment) have now been approved by the Board of Directors of FSLTM, and that it has signed and returned to its lenders the final agreement for the Extension for signature by FSL Trust's lenders.

Pending signing by FSL Trust's lenders of the final agreement for the Extension and satisfaction of the other conditions described in the Announcement, FSL Trust, as at the time of this announcement, would not fulfill the minimum debt service coverage ratio and/or security value-to-loan ratio under its loan agreement with its lenders. The Directors of FSLTM are in the process of ascertaining the impact arising from the same. Given the recent departure of certain of FSLTM's directors including the two then-executive directors, the current Directors of FSLTM (the majority of whom had only been recently appointed on 17 and 26 June 2013) anticipate that they may require additional time to complete this exercise. Nonetheless, the Directors will release a further announcement as soon as their assessment is complete.

By order of the board of directors of  
FSL Trust Management Pte. Ltd.