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The Board of Directors
FSL Trust Management Pte. Ltd.
(in its capacity as Trustee-Manager
of First Ship Lease Trust)
9 Temasek Boulevard
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Singapore 038989

Our ref YC/ZA/130

Contact Yvonne Chiu
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Attention: Mr Timothy James Reid

25 July 2013

Dear Sirs

First Ship Lease Trust
Independent auditor's report on review of condensed consolidated interim
financial information

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of First Ship Lease Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position of the Group and the Trust as at 30 June 2013, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in unitholders' funds and condensed consolidated statement of cash flow of the Group for the period then ended and certain explanatory notes (the "condensed consolidated interim financial information"). Trustee-Manager is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 of the condensed consolidated interim financial information, which indicates that the Trust is awaiting final execution by the lenders of a temporary extension of the relaxation of two loan covenants (relating to Security Value-to-Loan ratio and Debt Service Coverage ratio) on the amortising term loan facility, which has a carrying amount of US\$398,867,000 as at 30 June 2013. If the relaxation extension were not executed by the lenders, there will be a breach of covenants under the original loan agreement. On the other hand, if the relaxation extension were executed, it will expire on 31 December 2013, and falls within 6 months of the reporting date. Covenants under the original loan agreement will be reinstated from 1 January 2014 and the Trust may breach the original Security Value-to-Loan ratio and the Debt Service Coverage ratio covenants.

Should the lenders not execute the relaxation extension or where the Trust breach either of the two loan covenants after the expiry of the relaxation extension period, lenders shall have the ability to exercise their remedies under the loan agreement. As at the date of this report, the Board is in discussion with lenders to formalise the extension. Management believes the estimated cash flows from the portfolio of vessels will be sufficient to meet the scheduled principal repayments and interest payments, and the Board will continue its discussion with lenders to resolve such potential breach of these two loan covenants prior to 31 December 2013.

The above circumstance indicates the existence of a material uncertainty that may affect the Group's ability to continue as a going concern. The accompanying condensed consolidated interim financial information does not include any adjustments that might result from the outcome of this material uncertainty.



Restriction on use

Our report is provided on the basis that it is solely for the private information of the directors of FSL Trust Management Pte. Ltd. and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of FSL Trust Management Pte. Ltd., the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

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*Public Accountants and
Chartered Accountants*

Singapore
25 July 2013