

FSL TRUST MANAGEMENT PTE. LTD.
(As Trustee-Manager of First Ship Lease Trust)
(Company Registration No. 200702265R)
(Incorporated in Singapore)

DISPOSAL OF AVAILABLE-FOR-SALE FINANCIAL ASSET

1. Introduction

The Board of Directors of FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**"), wishes to announce that FSL Trust has sold its entire shareholding of 18,266,649 shares in TORM A/S ("**TORM**"), for a total consideration of US\$2.63 million (the "**Disposal**").

2. Rationale for the Disposal

This Disposal was made between 21 January 2015 and 28 January 2015 to take advantage of a recent and short term spike in the TORM share price and following the various announcements from TORM in relation to their ongoing restructuring process which will "result in a substantial dilution of existing shareholders". The Disposal was made in the open market at a price ranging from DKK0.50 to DKK1.75 at an average price of DKK0.96. This represents 200% of the average closing price TORM shares for the last six months from 21 July 2014 to 20 January 2015 (DKK0.48).

The TORM shares owned by FSL Trust were issued as part of the restructuring of the non-performing bareboat contracts in relation to FSL-25 and FSL-26 (TORM Margrethe and TORM Marie) in 2012. The shares were pledged to FSL Trust's lenders as part of the term loan facility and in the custody of the lenders. This meant that until lenders' consent and release was granted, FSL Trust was not in a position to sell the shares.

This consent was provided and the shares were effectively transferred to the security account on 19 January 2015 for trading. Proceeds of the Disposal will remain pledged to the lender as security under the term loan facility.

3. Sale Consideration

According to FSL Trust's latest unaudited financial results announcement for the period ended 30 September 2014, the book value of the asset was US\$1.53 million. As at 31 December 2014 on a mark-to-market basis, the book value was US\$0.92 million and on disposal, FSL Trust made a gain of US\$1.71 million which will be recognised in the 1Q FY2015 financial results.

The transaction is not expected to have a material effect on the net tangible assets per share or earnings per share of the Trust for the current financial year.

None of the Directors or controlling shareholders of FSL Trust has any interest, direct or indirect, in the Disposal.

By Order of the Board
FSL Trust Management Pte. Ltd.
(Company registration no. 200702265R)
as Trustee-Manager of First Ship Lease Trust

Alan Hatton
Director
6 February 2015