



First Ship Lease Trust

Annual General Meeting

29 April 2015

2014: Year in review

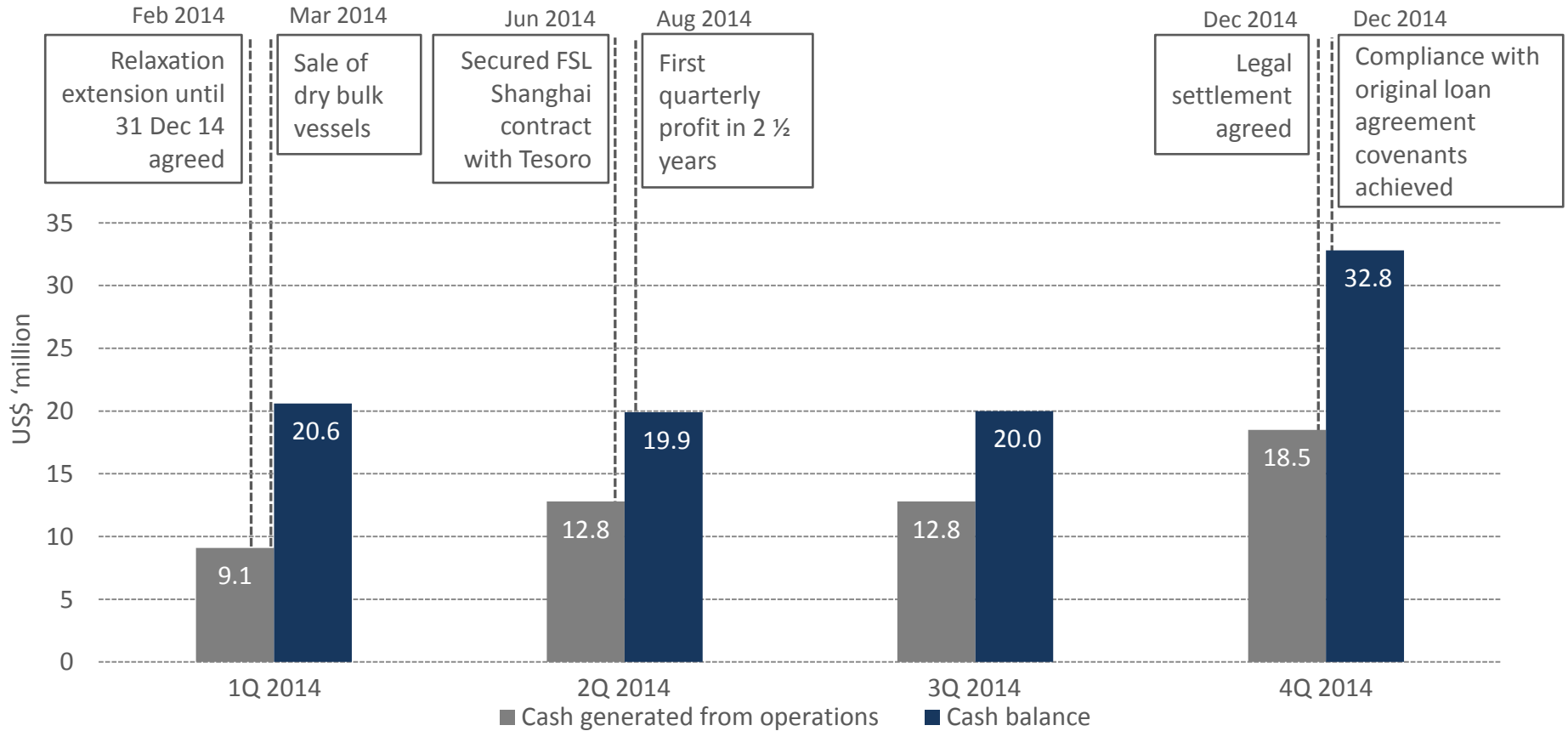
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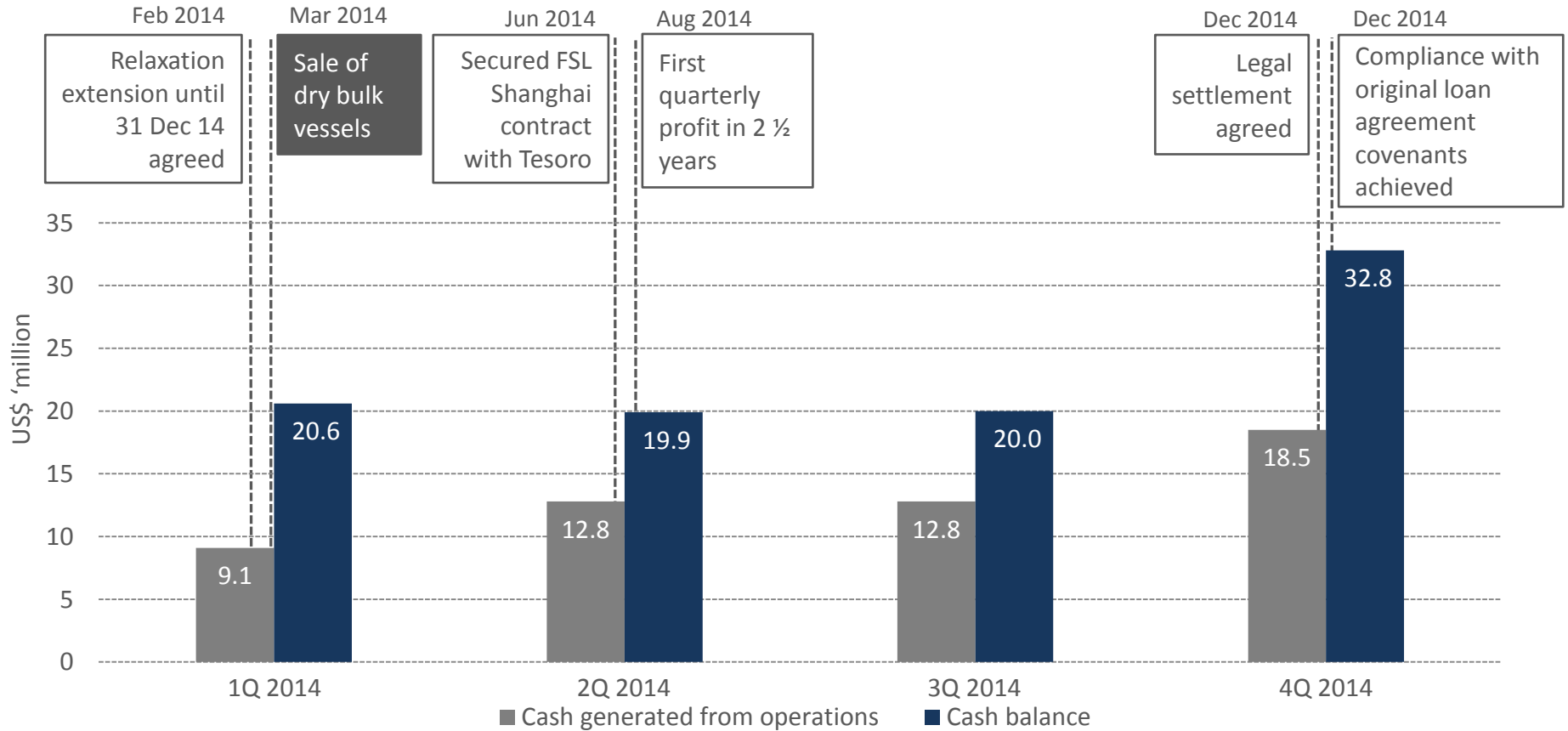
2014: Key milestones



“After five months of negotiations with its banks First Ship Lease Trust (FSL Trust) has secured relaxation of its loan covenants until the end of 2014.”

Seatrade Global
3 March 2014

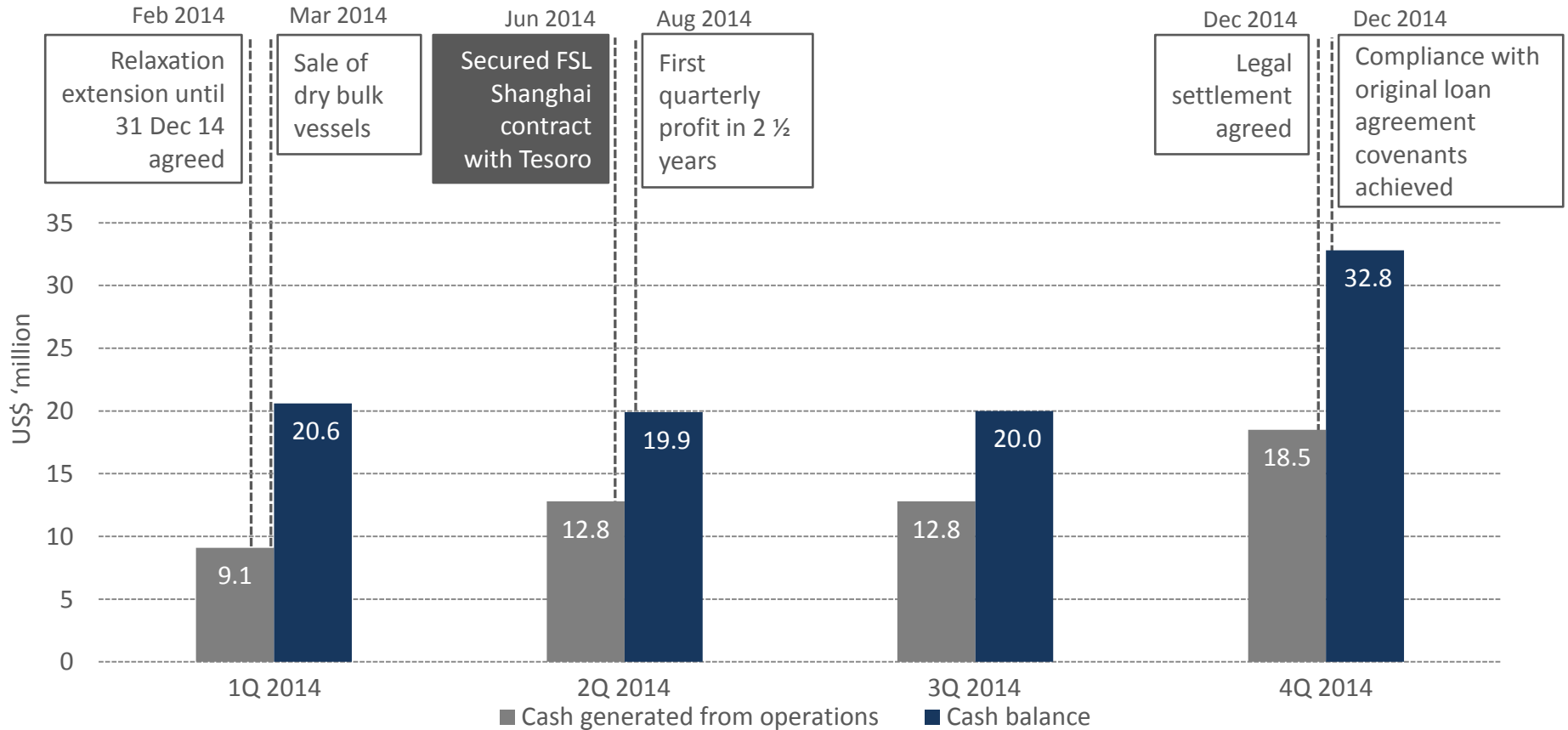
2014: Key milestones



“First Ship Lease Trust (FSL Trust) has sold two dry bulk carriers...this transaction marks the exit of the dry bulk market for the company”

Seatrade Global
19 March 2014

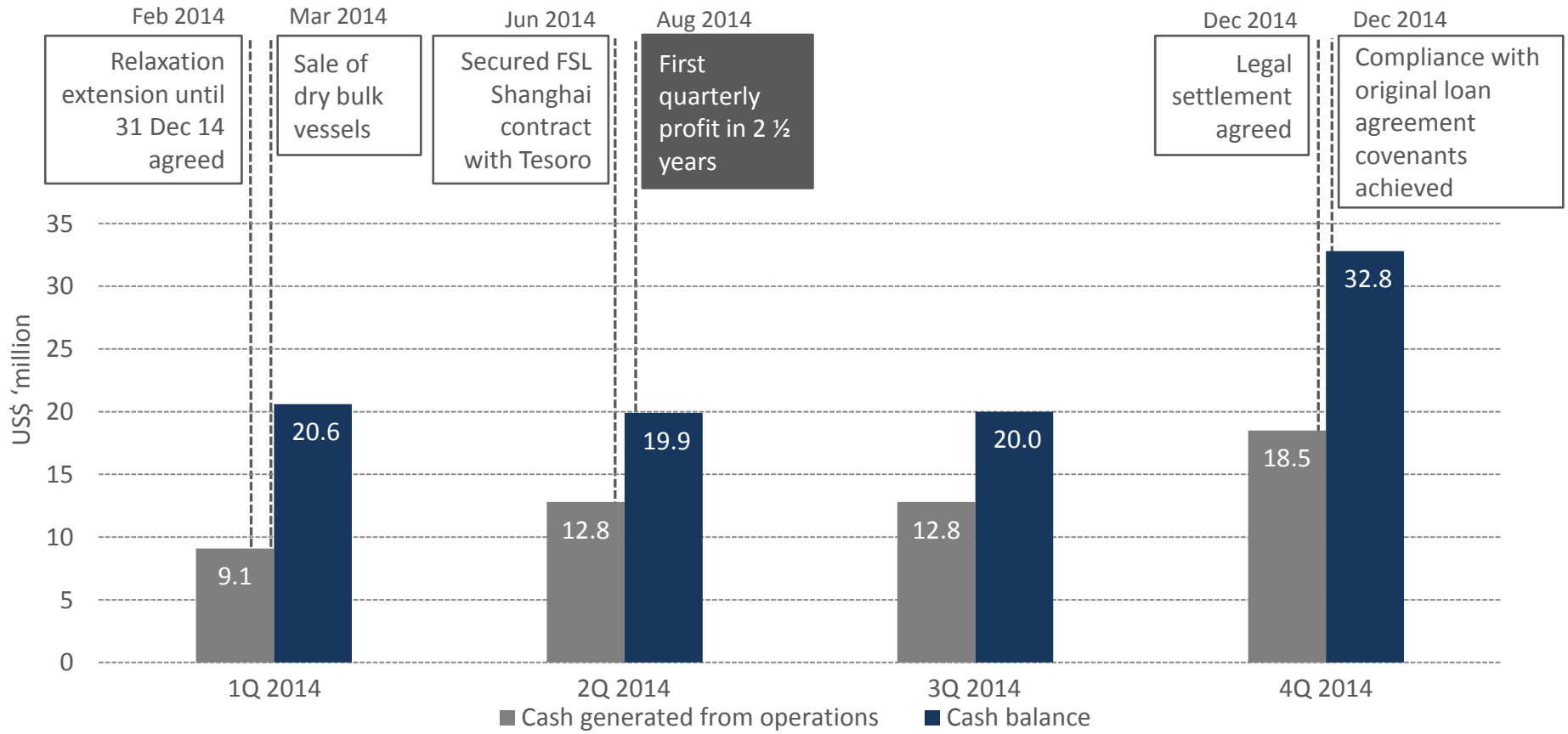
2014: Key milestones



“First Ship Lease has secured improved period employment for one of its crude tankers...the deal marks a \$1.6m rise over the previous annual cheque it collected for the ship.”

Tradewinds
30 June 2014

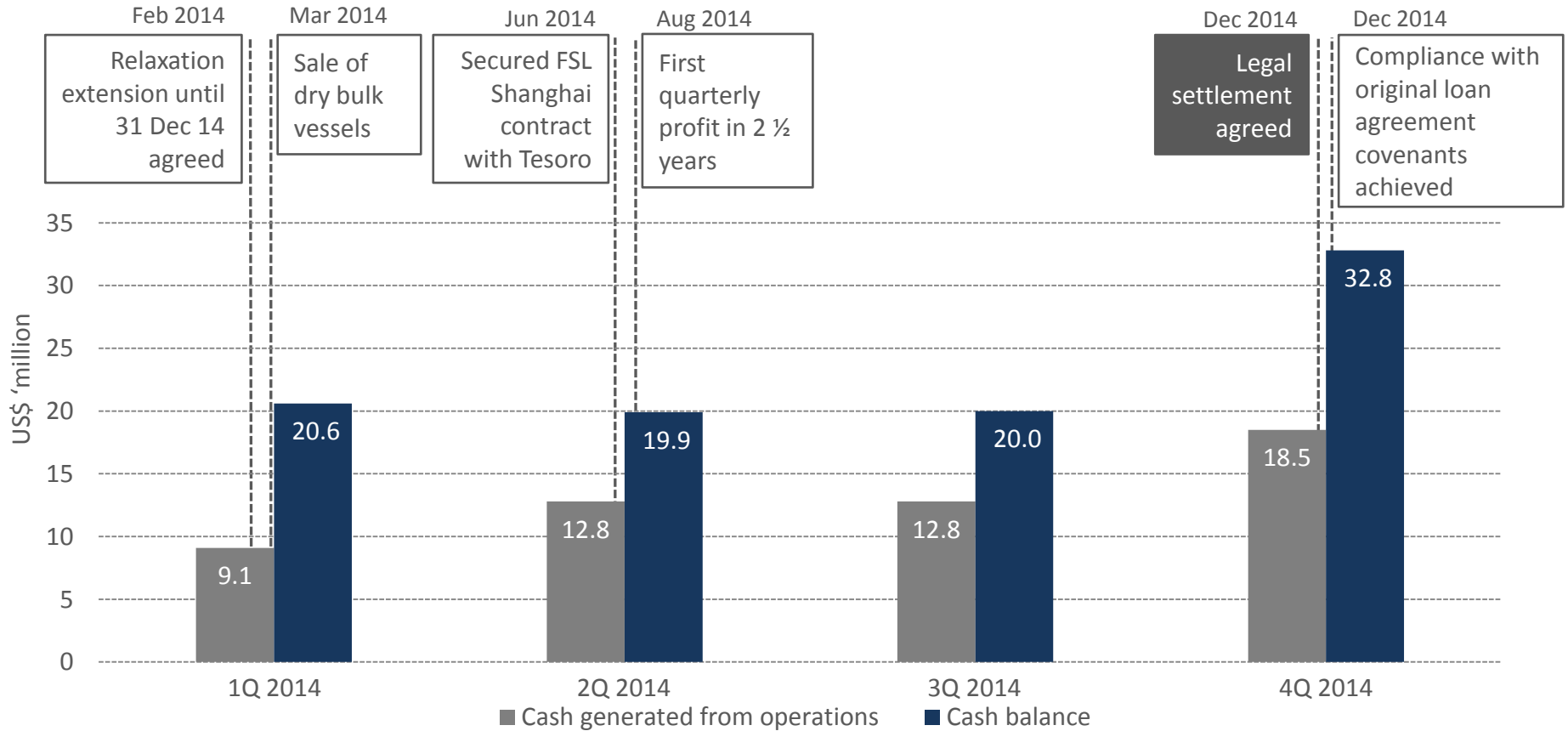
2014: Key milestones



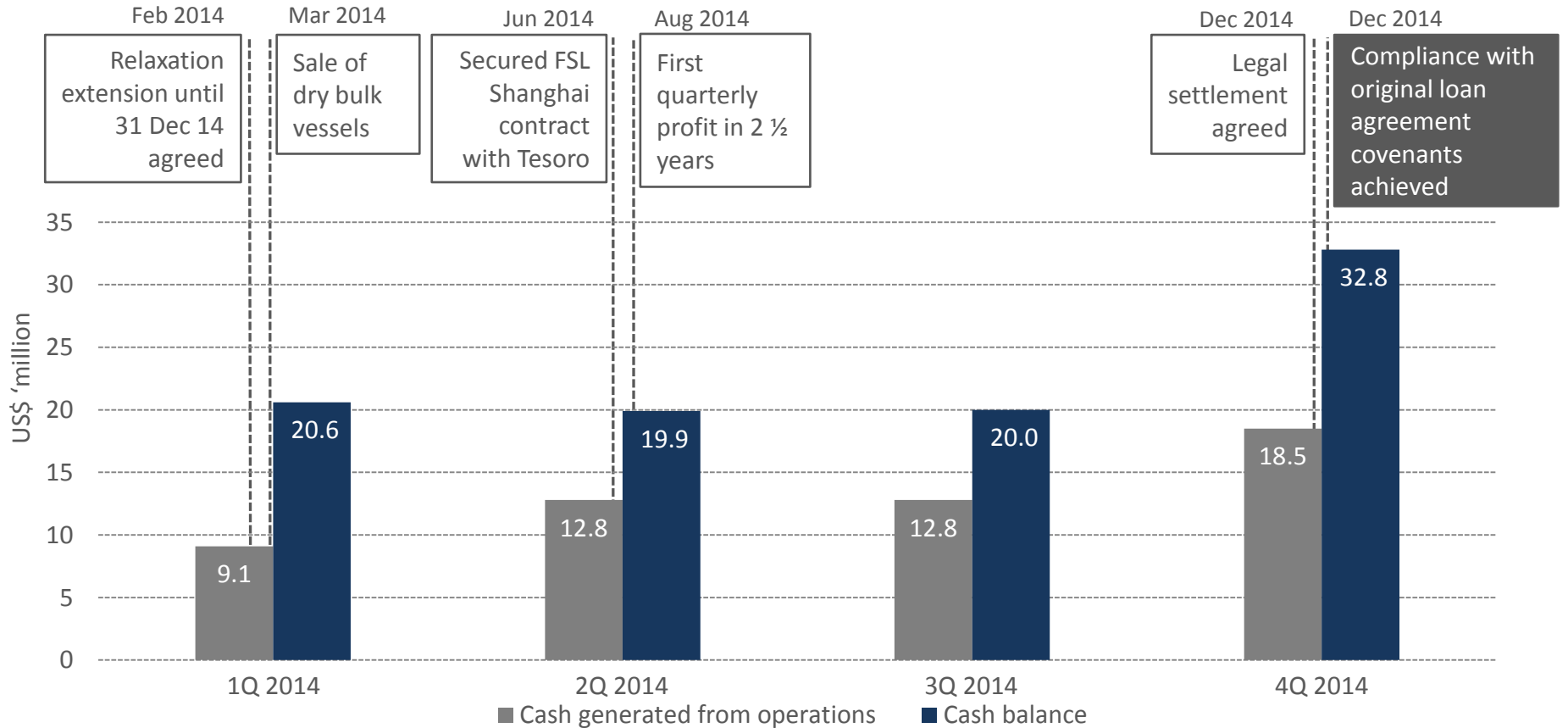
“First Ship Lease Trust has posted its first quarterly profit in nearly three years, an indication that the Singapore-listed trust is getting back on track after an overhaul of its management team.”

Lloyd’s List Asia
14 August 2014

2014: Key milestones



2014: Key milestones

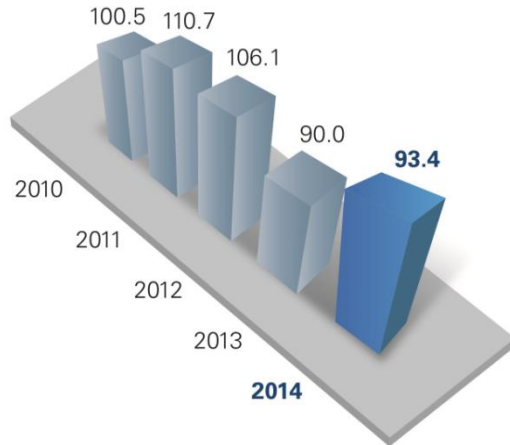


“FSL Trust is back in compliance with the terms of a December 2011 loan agreement...the development seems to vindicate the strategy pursued by the management team around chief executive Alan Hatton, which took over the reins following the mass boardroom departure in 2013.”

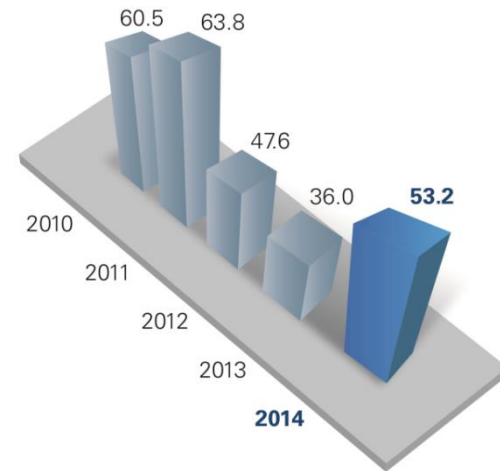
Lloyd’s List Asia
6 January 2015

2014: Financial highlights

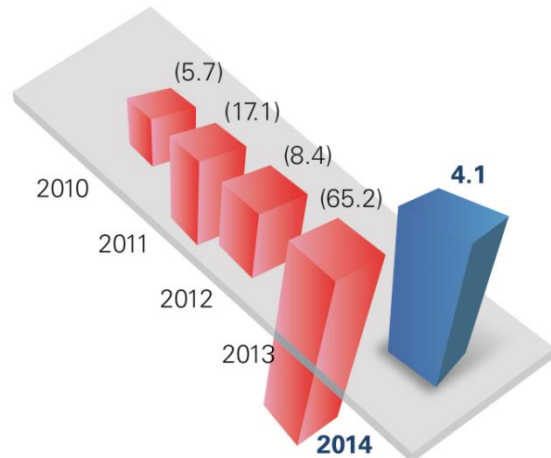
Revenue



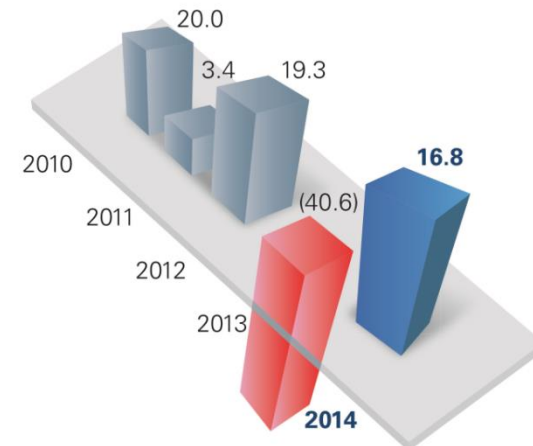
Net cash generated from operations



Net profit

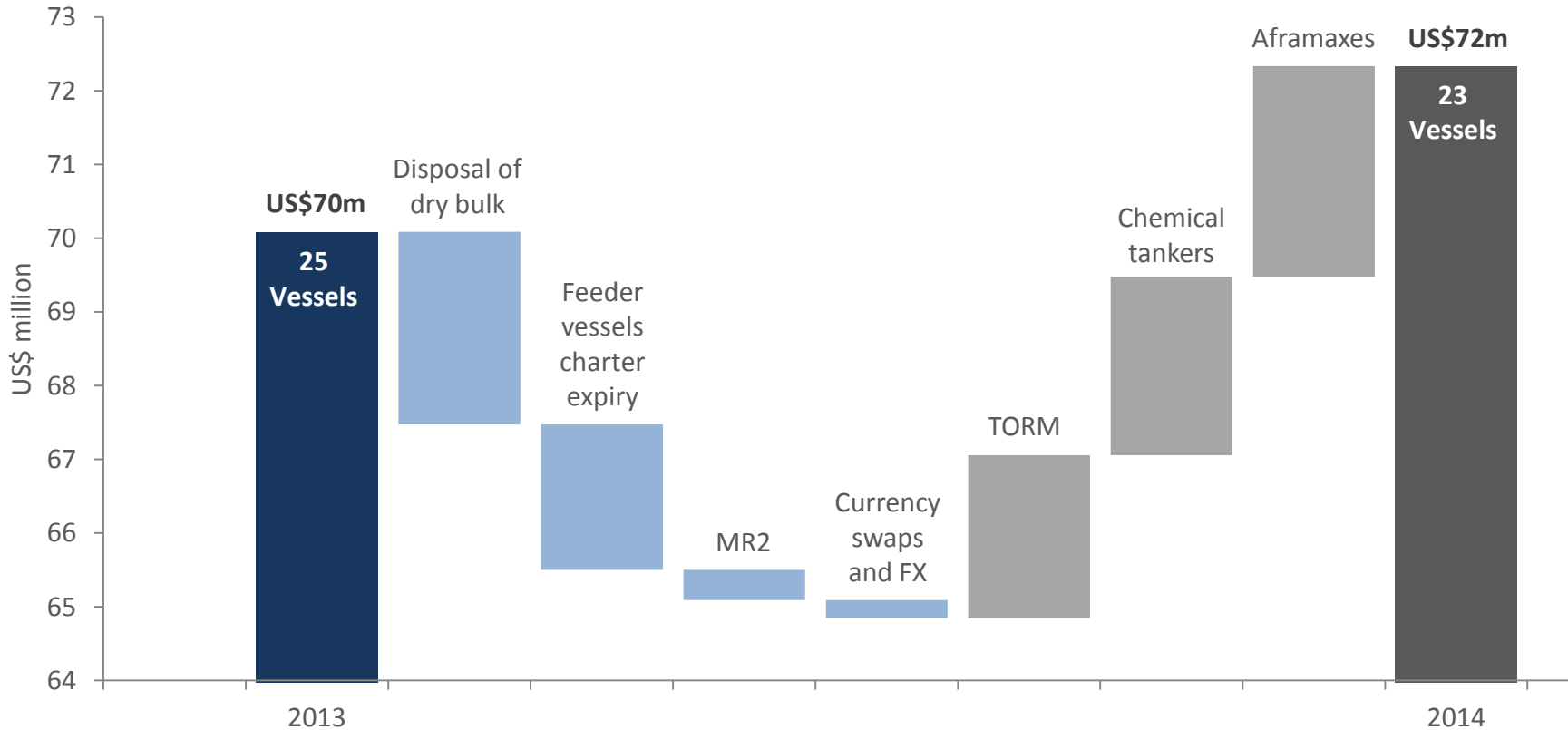


Results from operating activities



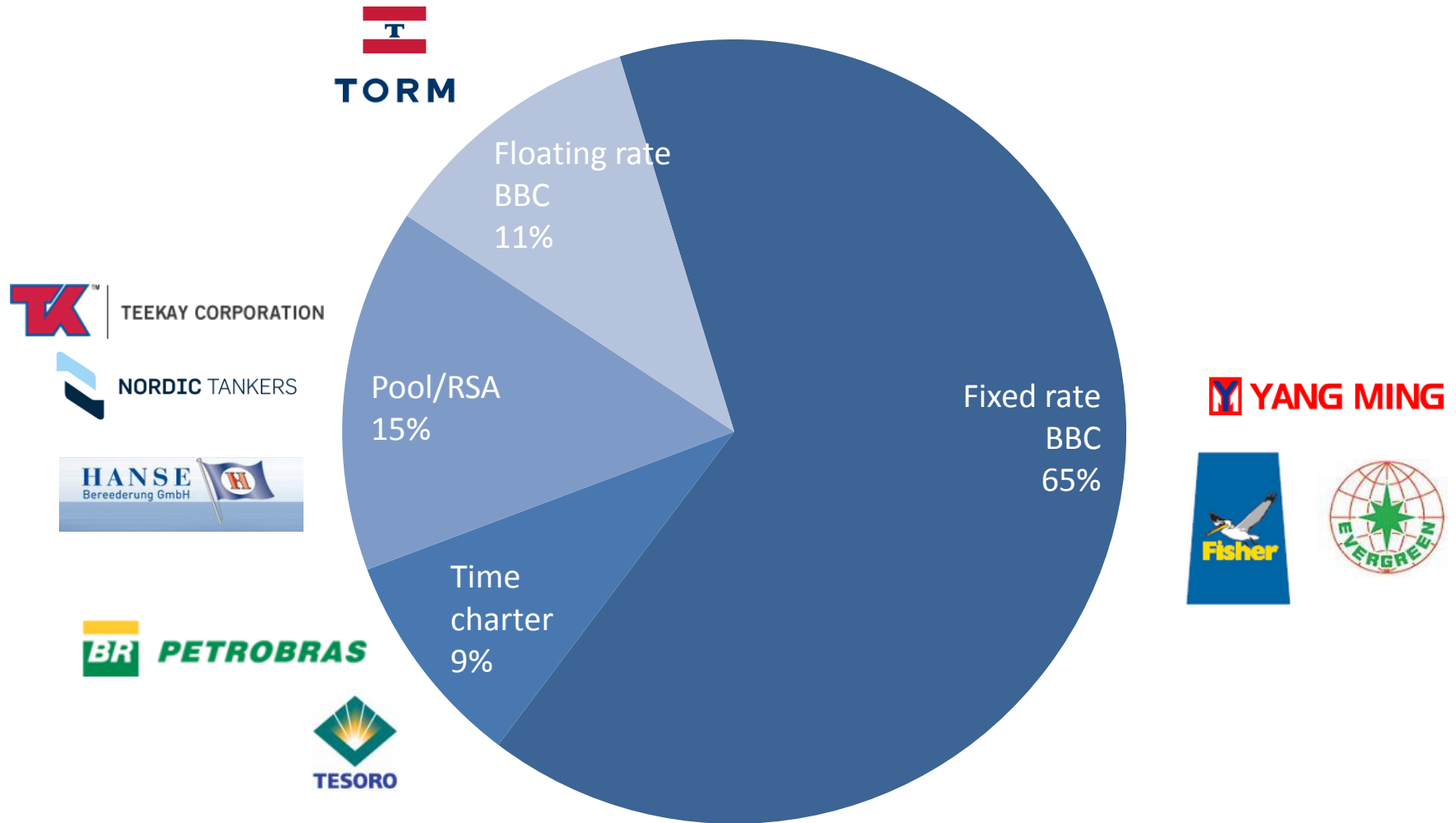
2014: Revenue development

Bareboat charter equivalent revenues



Revenues improved despite reduction in fleet size

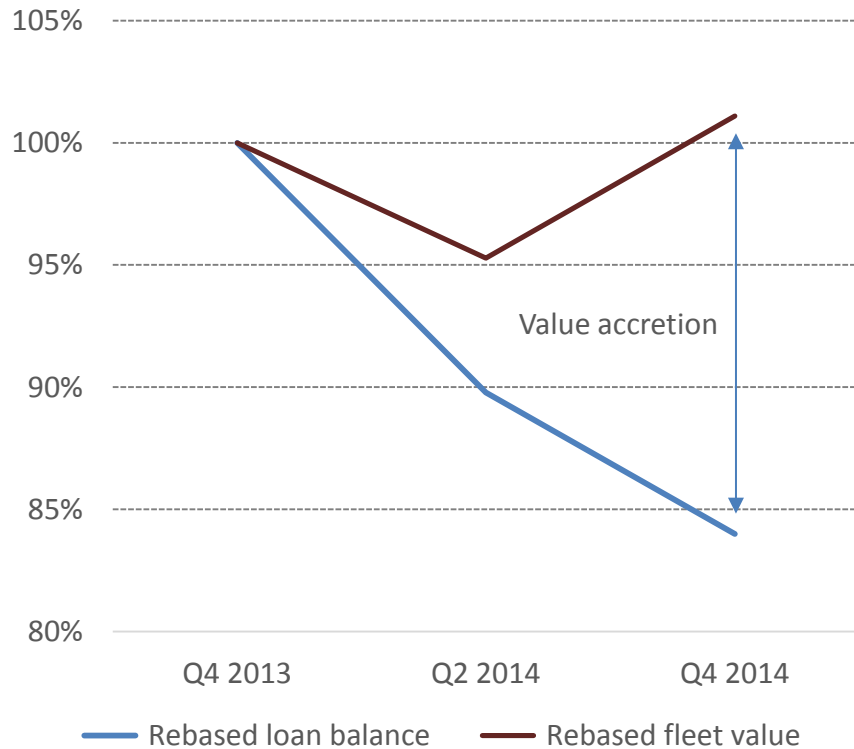
2014: Fleet deployment by revenue⁽¹⁾



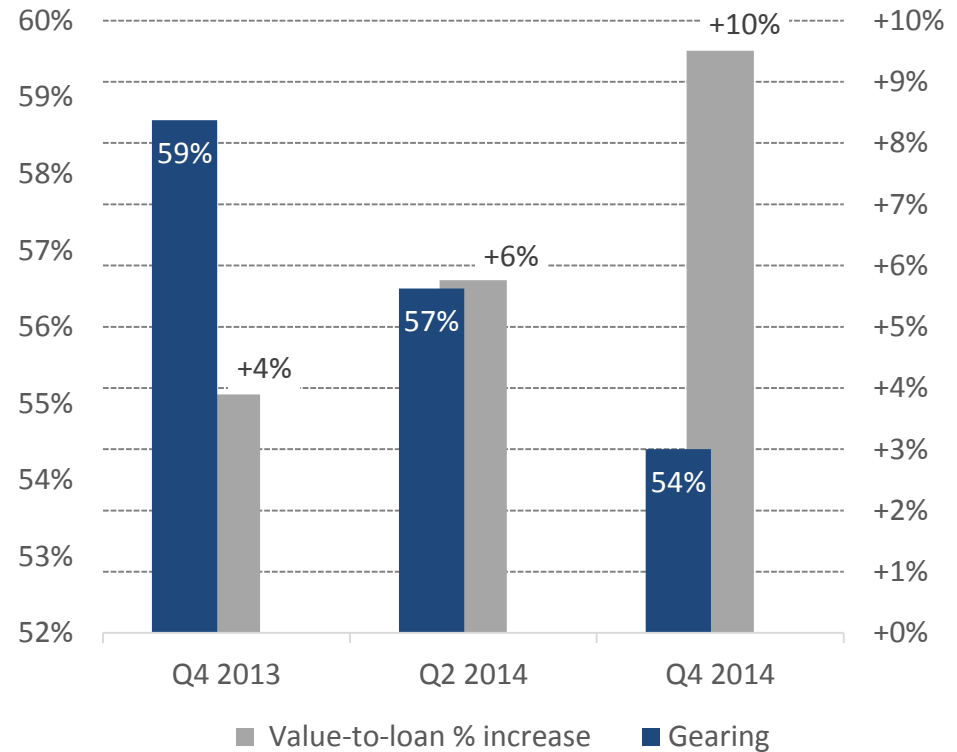
Note 1: BBCE revenue for the 12-months ended 31 December 2014

2014: Gearing and value-to-loan analysis

Rebased outstanding loan and fleet value



Gearing and Value-to-loan (VTL) development

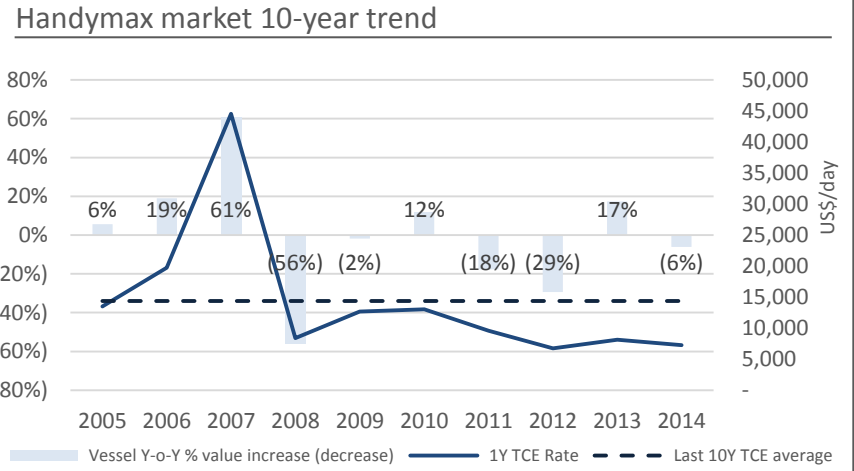


Value accretion through fleet appreciation and debt pay down...

...that led to a better gearing and an improved VTL ratio

Operational performance and market trend

Dry bulk **2.5** (100%)



Source: Marsoft

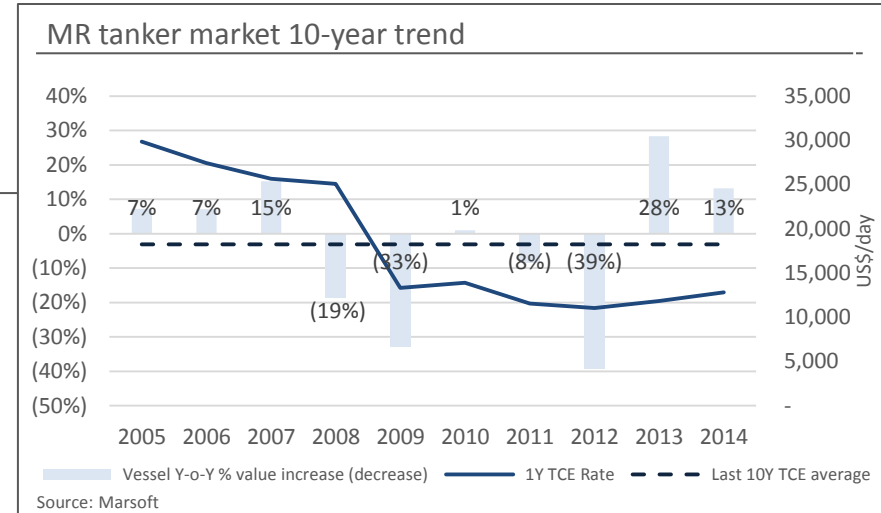
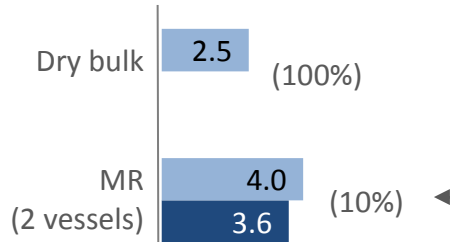


0 5 10 15 20 25 30 35

(US\$ million)

■ FY 2013 ■ FY 2014

Operational performance and market trend

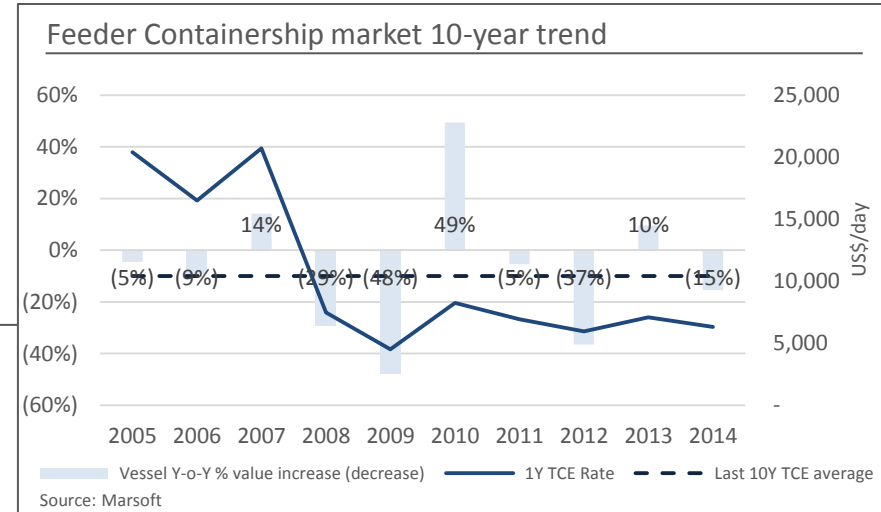
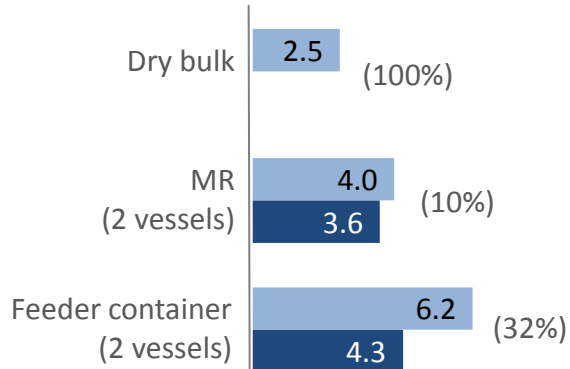


0 5 10 15 20 25 30 35

■ FY 2013 ■ FY 2014

(US\$ million)

Operational performance and market trend



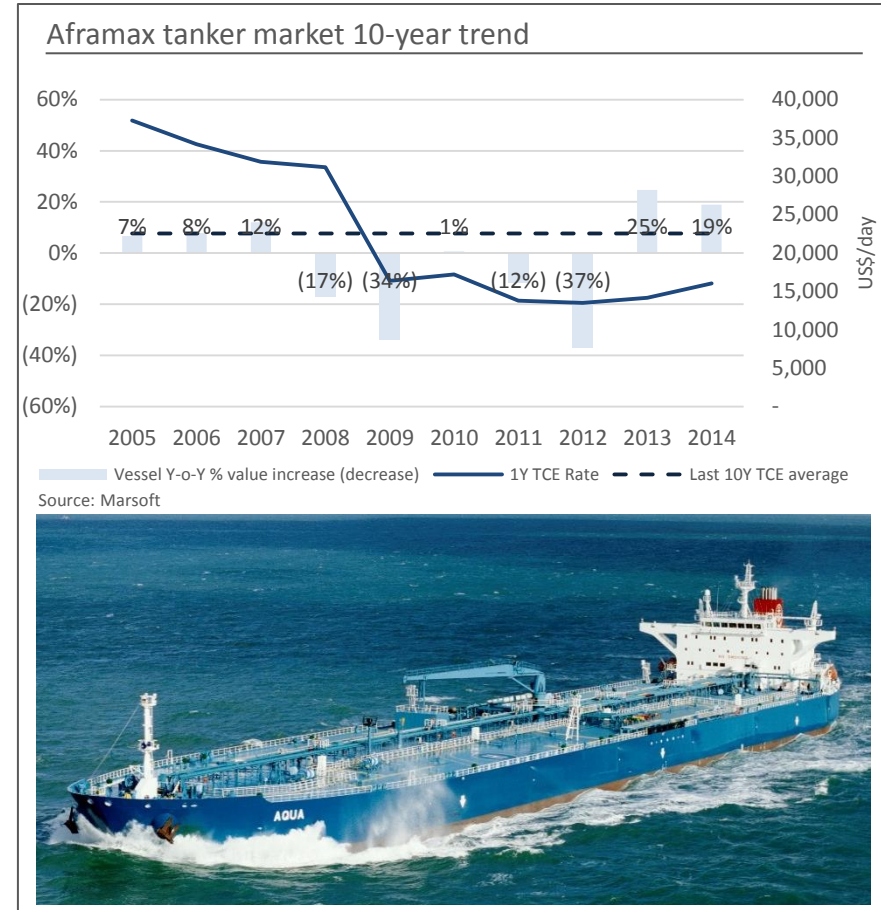
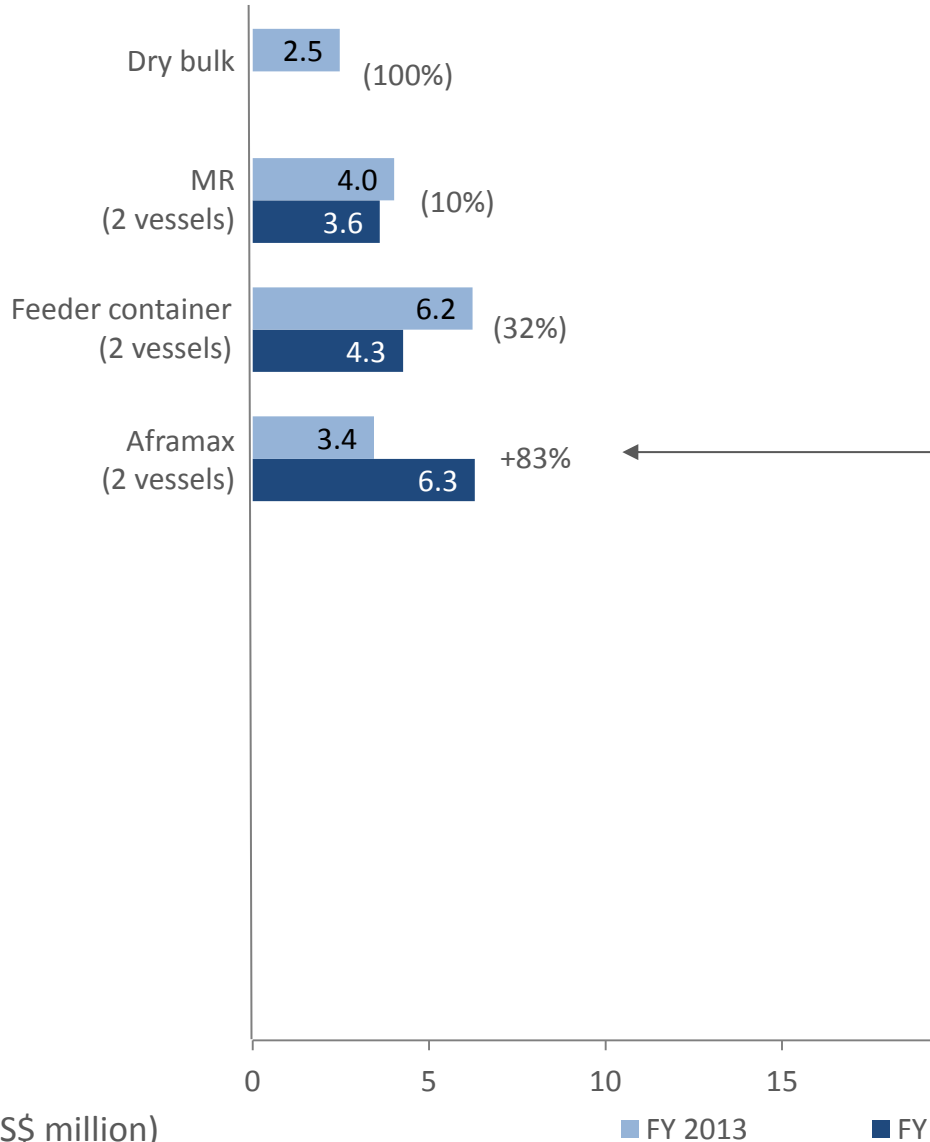
0 5 10 15 20 25 30 35

(US\$ million)

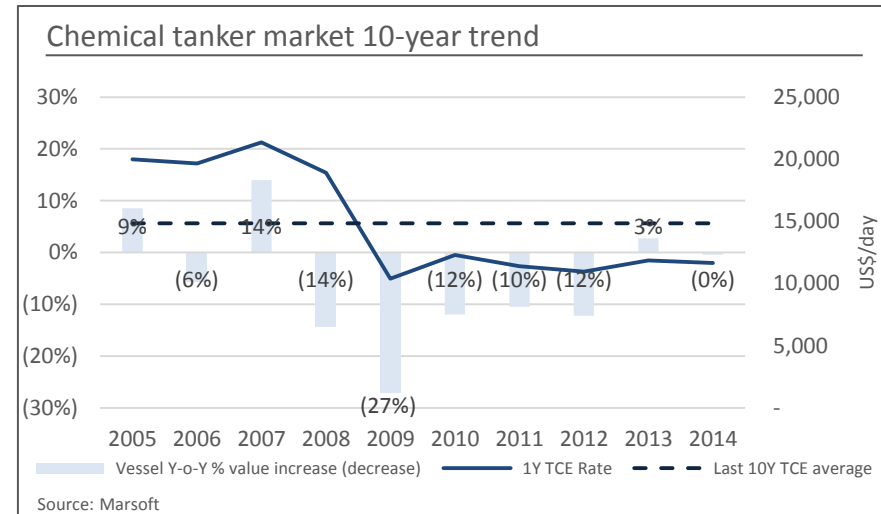
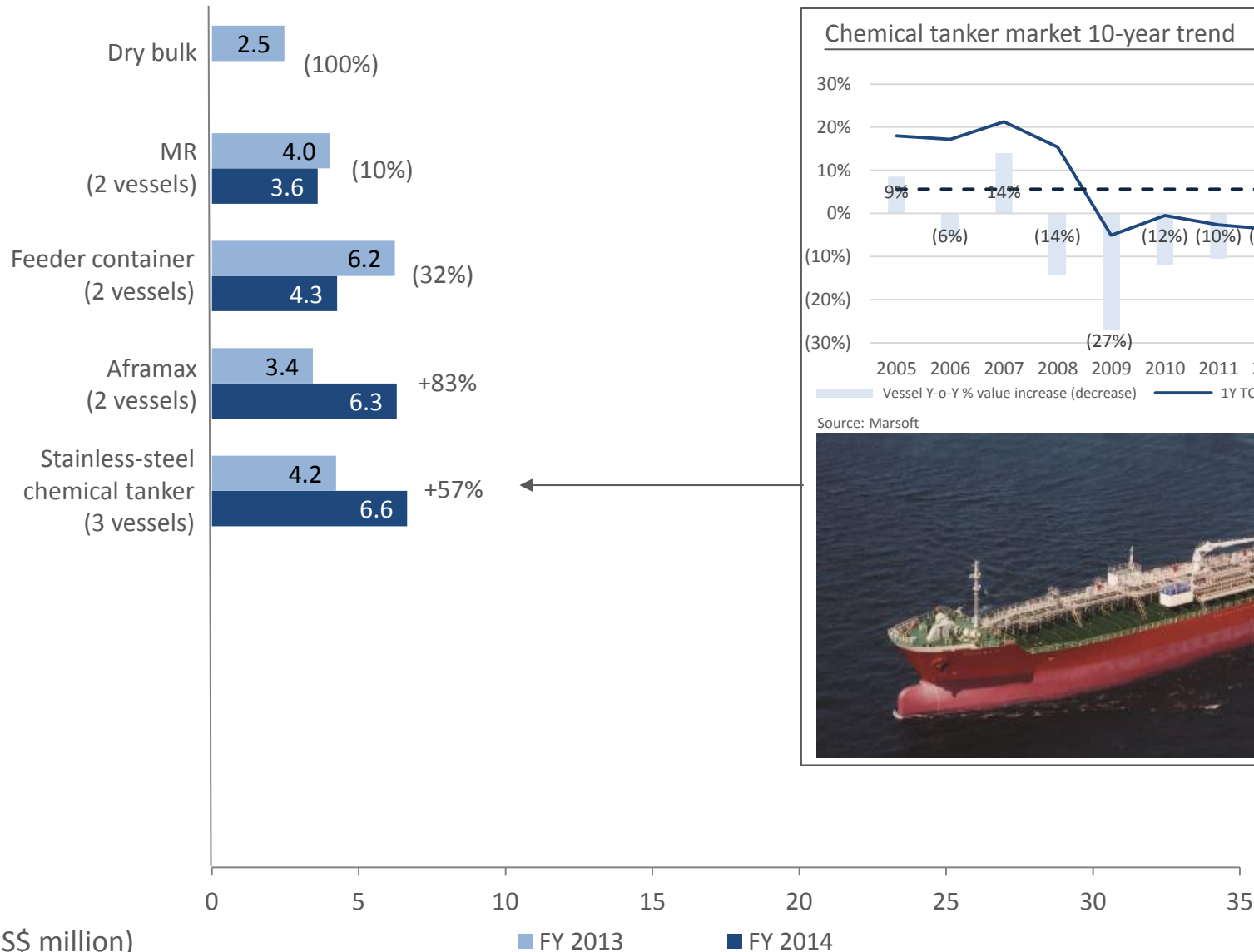
■ FY 2013

■ FY 2014

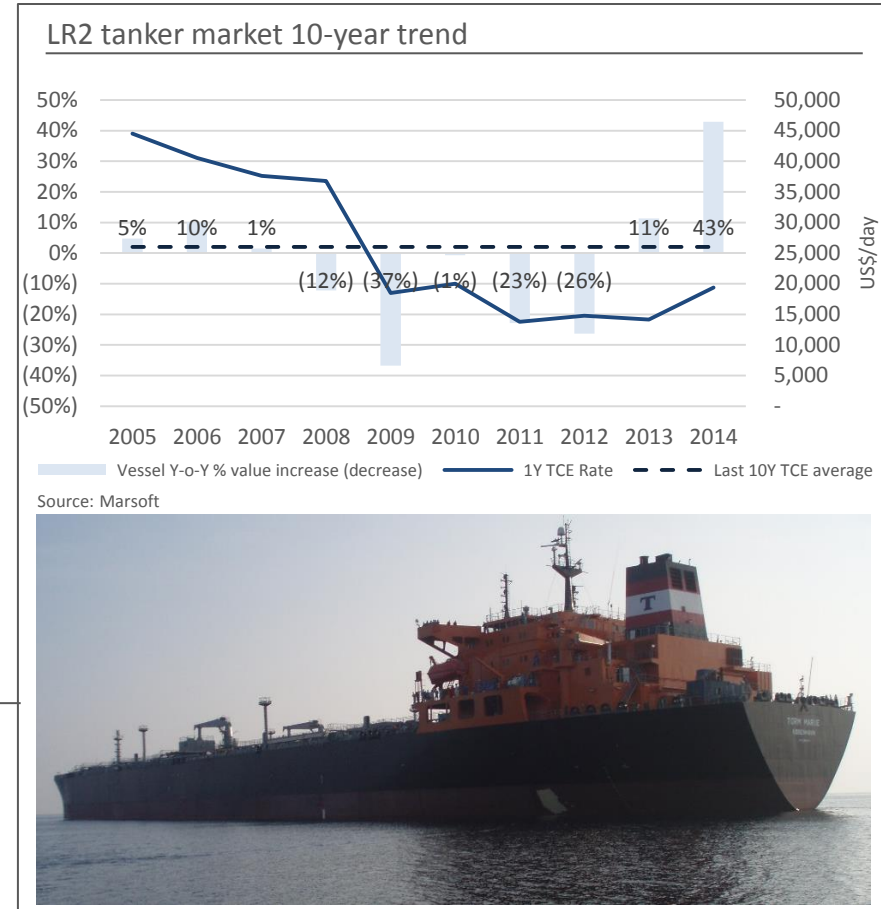
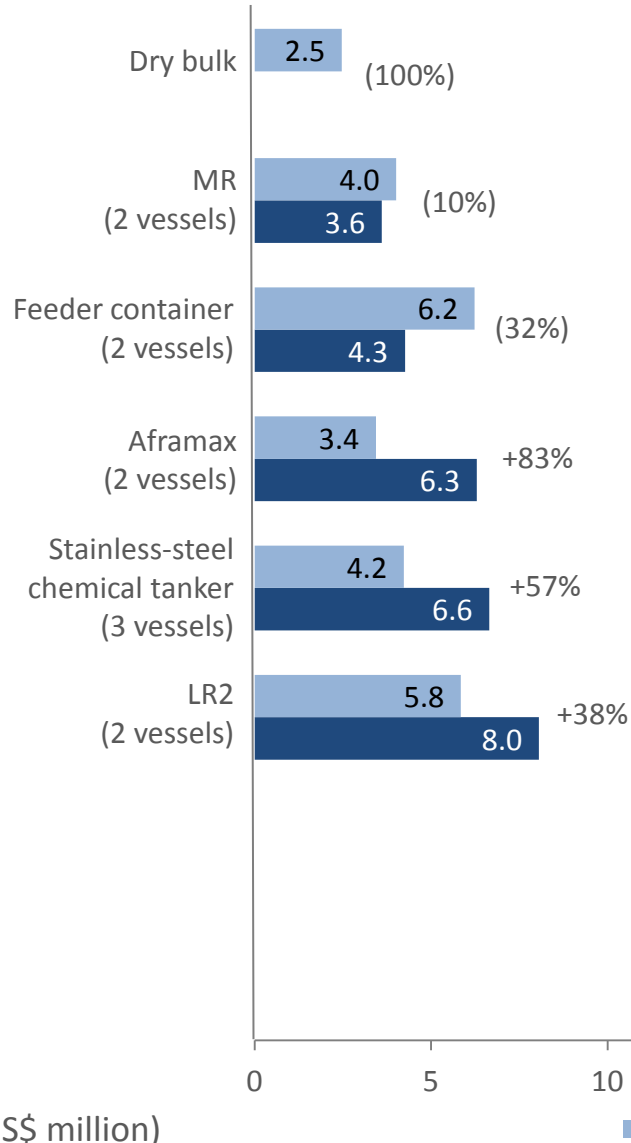
Operational performance and market trend



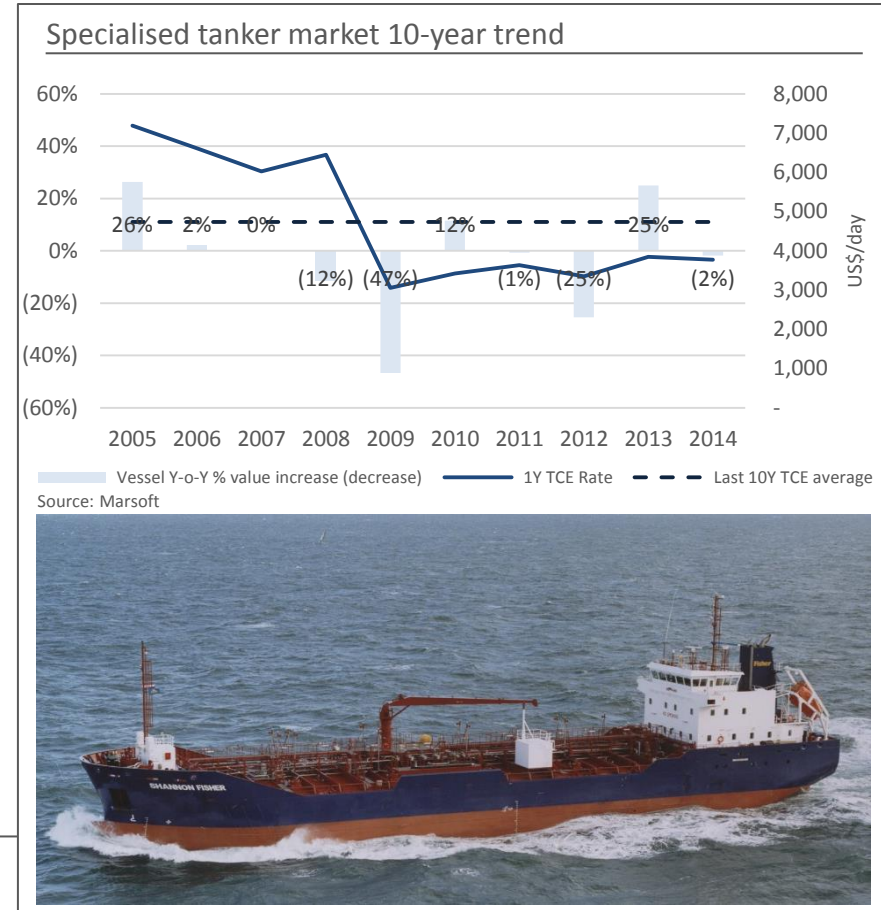
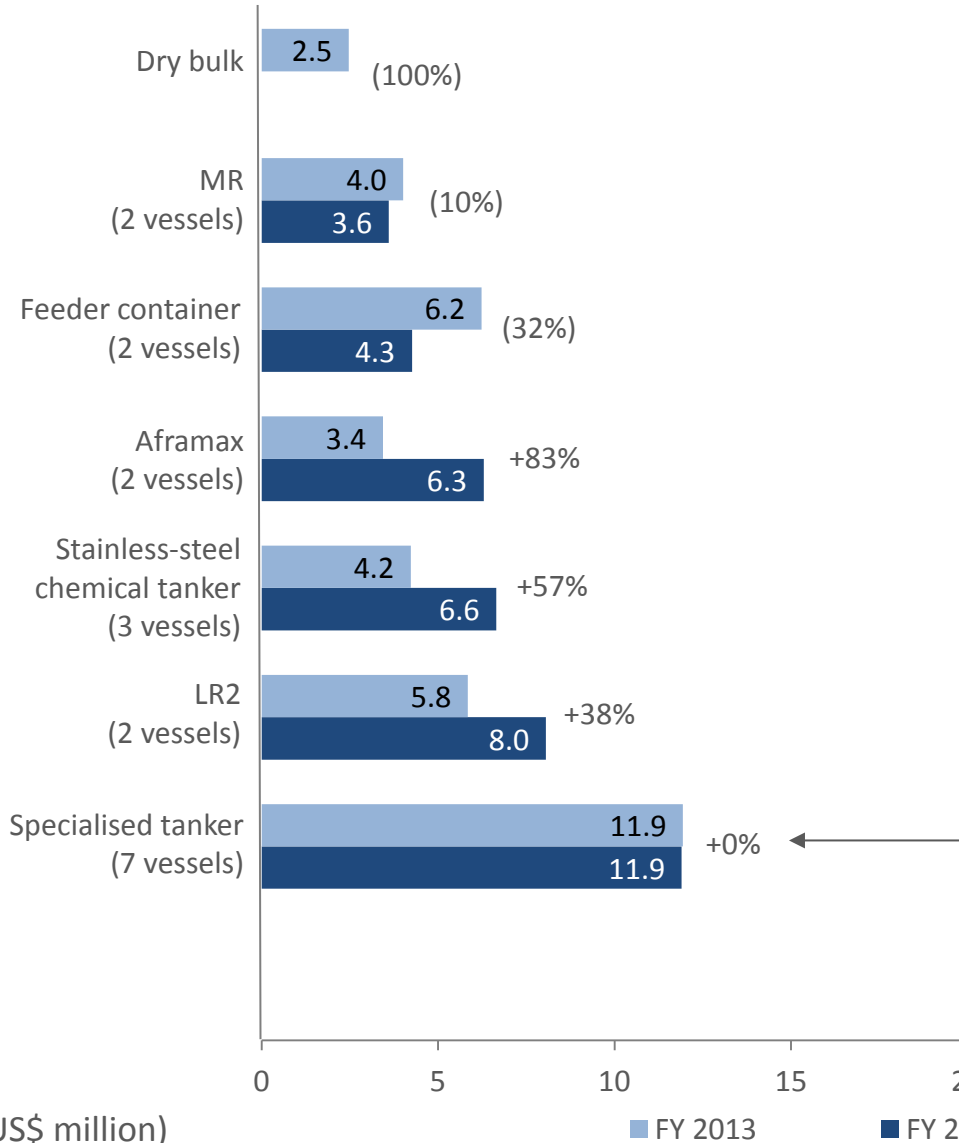
Operational performance and market trend



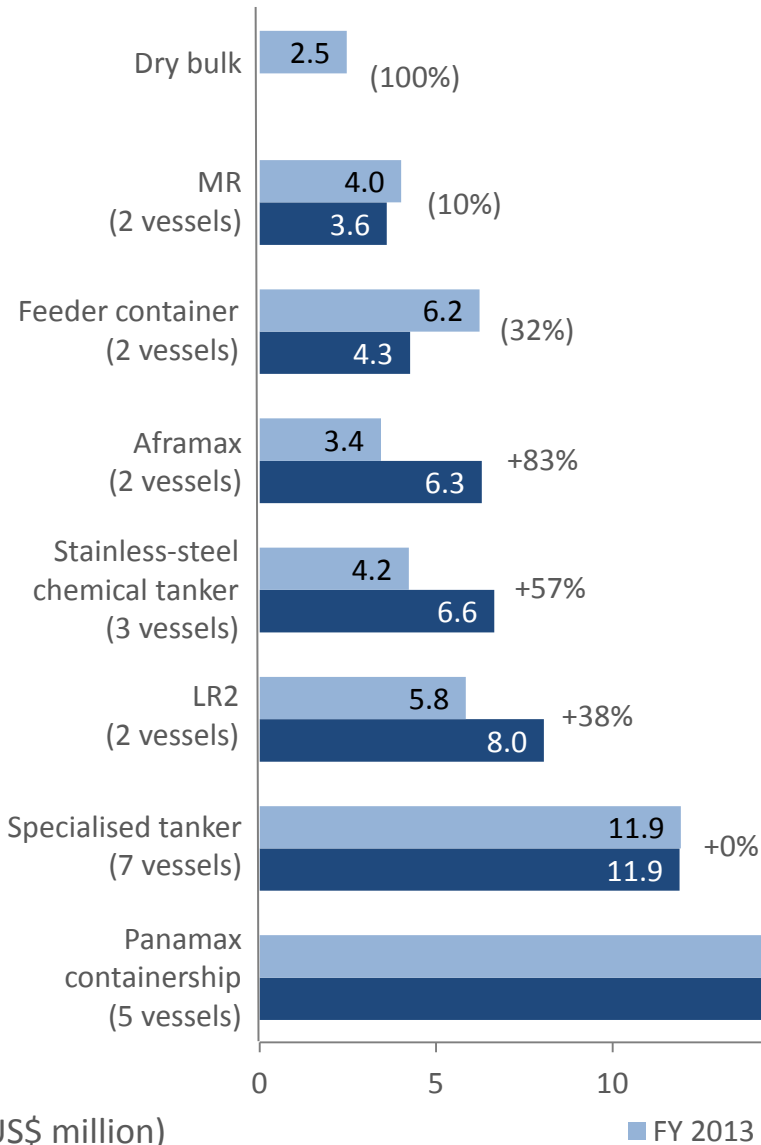
Operational performance and market trend



Operational performance and market trend



Operational performance and market trend



2014: Year in review

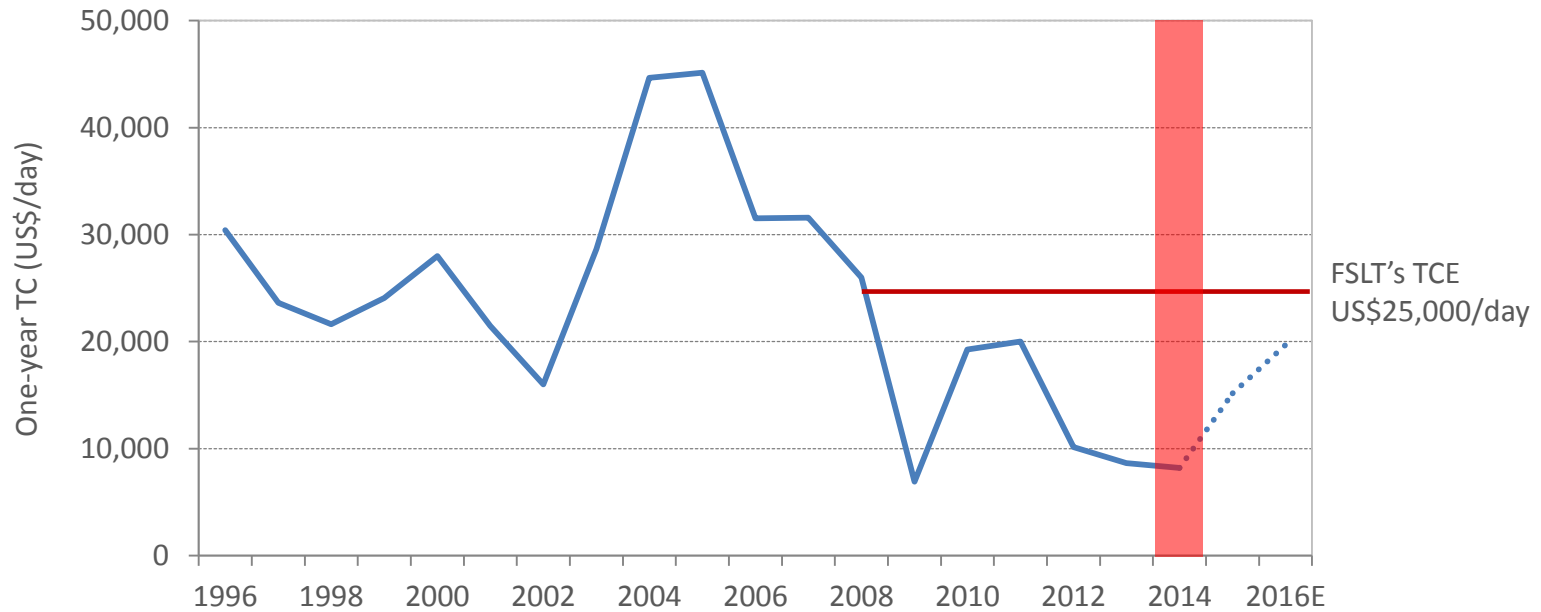
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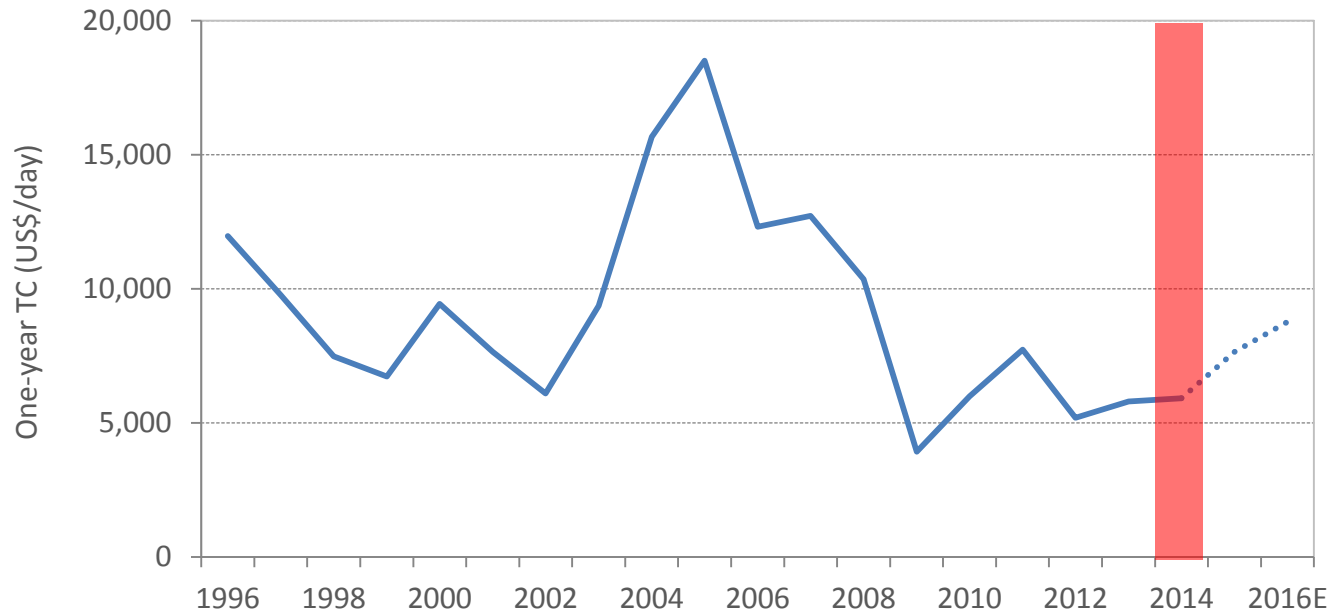
FSL Trust exposure: Panamax containers



Source: Marsoft

- Short-term rate expansion driven by US west-coast strikes
- Significant market oversupply of vessels
- FSL tonnage has secured income until 2020

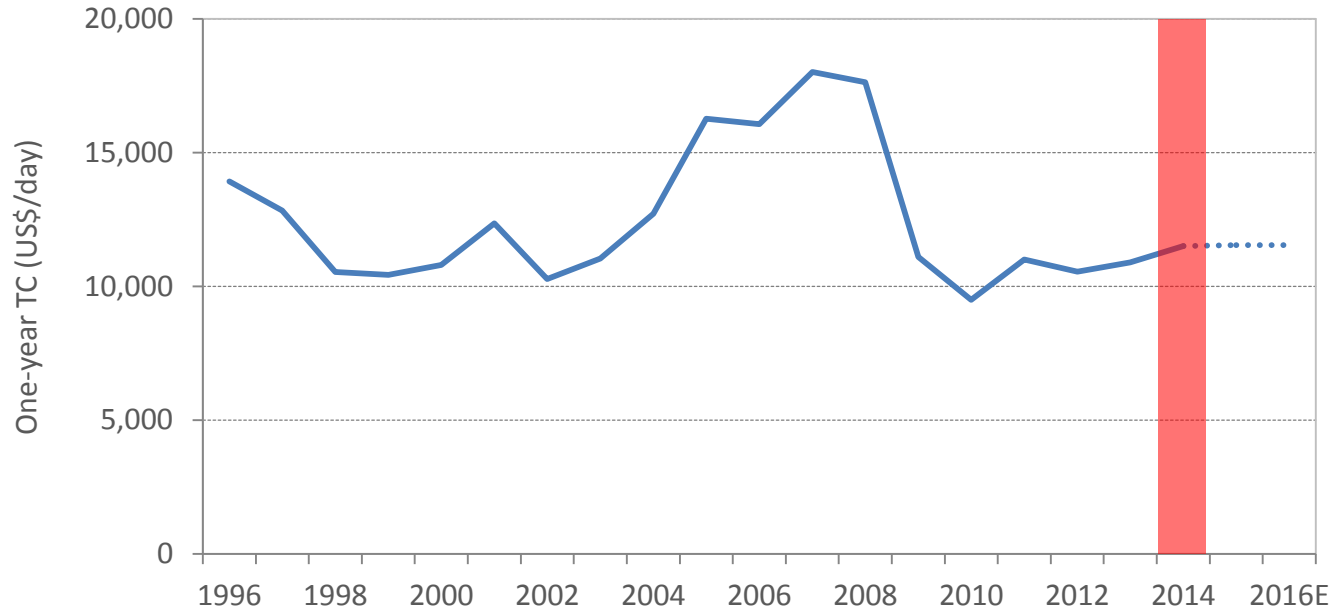
FSL Trust exposure: Feeder containers



Source: Marsoft

- Interesting market demonstrating recent rate improvements
- As container markets move to a more 'hub and spoke' model, benefits could be seen
- FSL exposure – two vessels in spot related pool

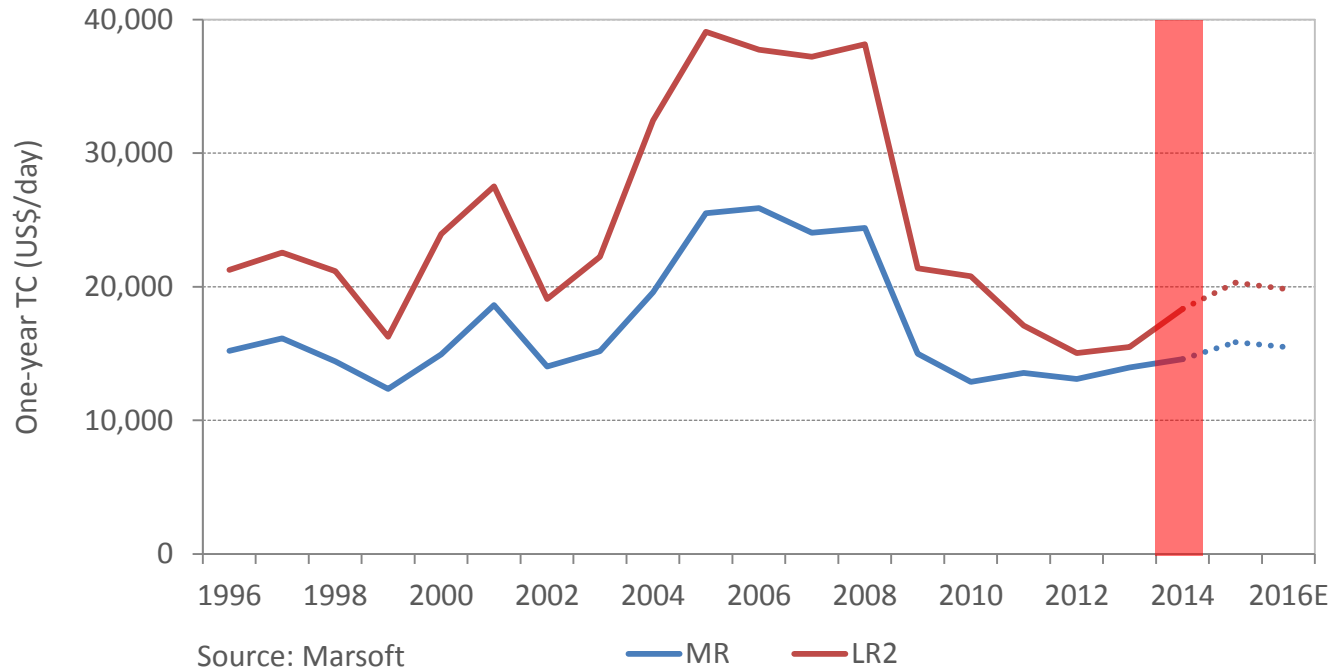
FSL Trust exposure: Chemical tankers



Source: Marsoft

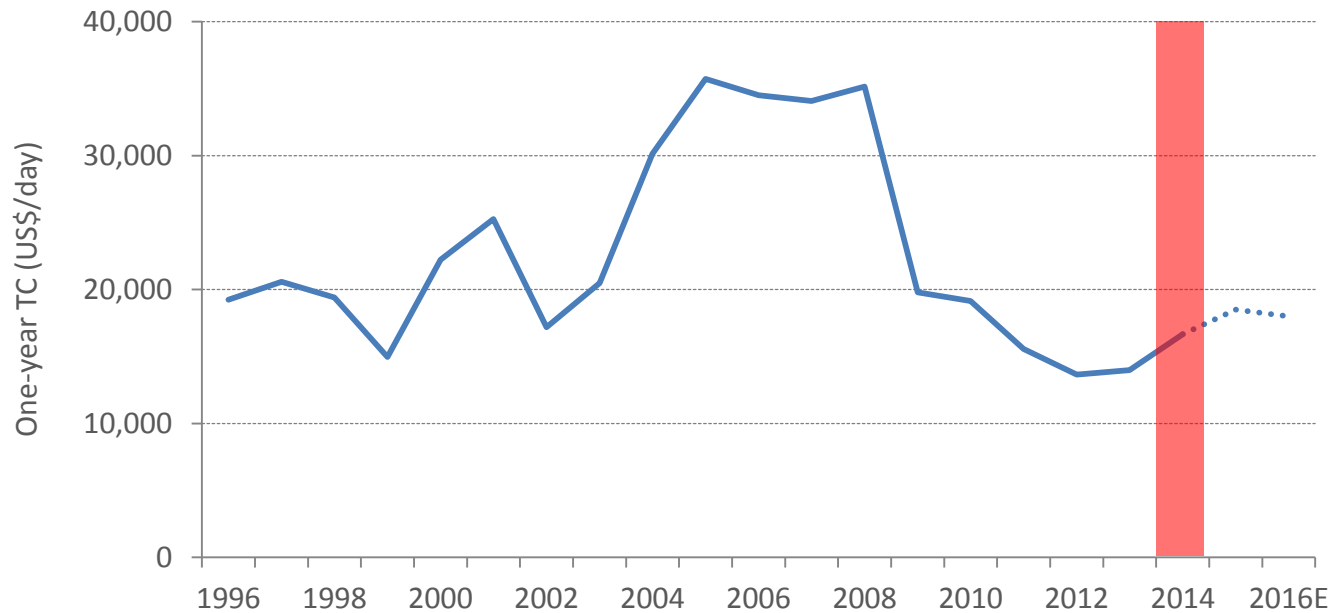
- Niche market, high barriers of entry
- Steady growth in chemicals business – demand and new chemical plants
- FSL Exposure – three chemical tankers in spot pool

FSL Trust exposure: Product tankers



- Rates strengthening in 2015
- Increasing demand for refined petroleum products
- Expansion of Asian & Middle Eastern refineries
- FSL Exposure
 - Two MR vessels on time charter (to be redelivered in 2015)
 - Two LR2 vessels in spot-related BBC

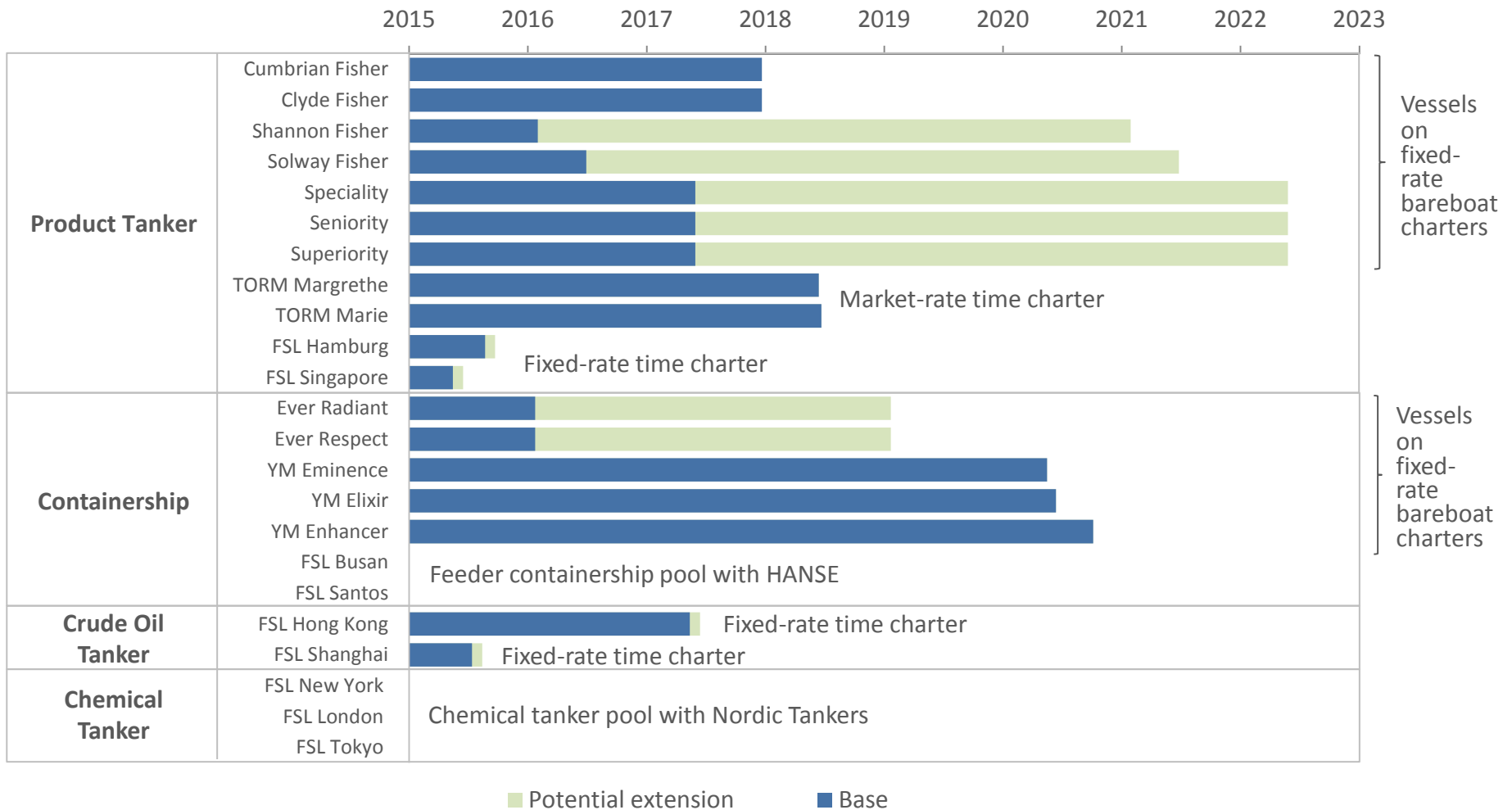
FSL Trust exposure: Aframax crude oil tankers



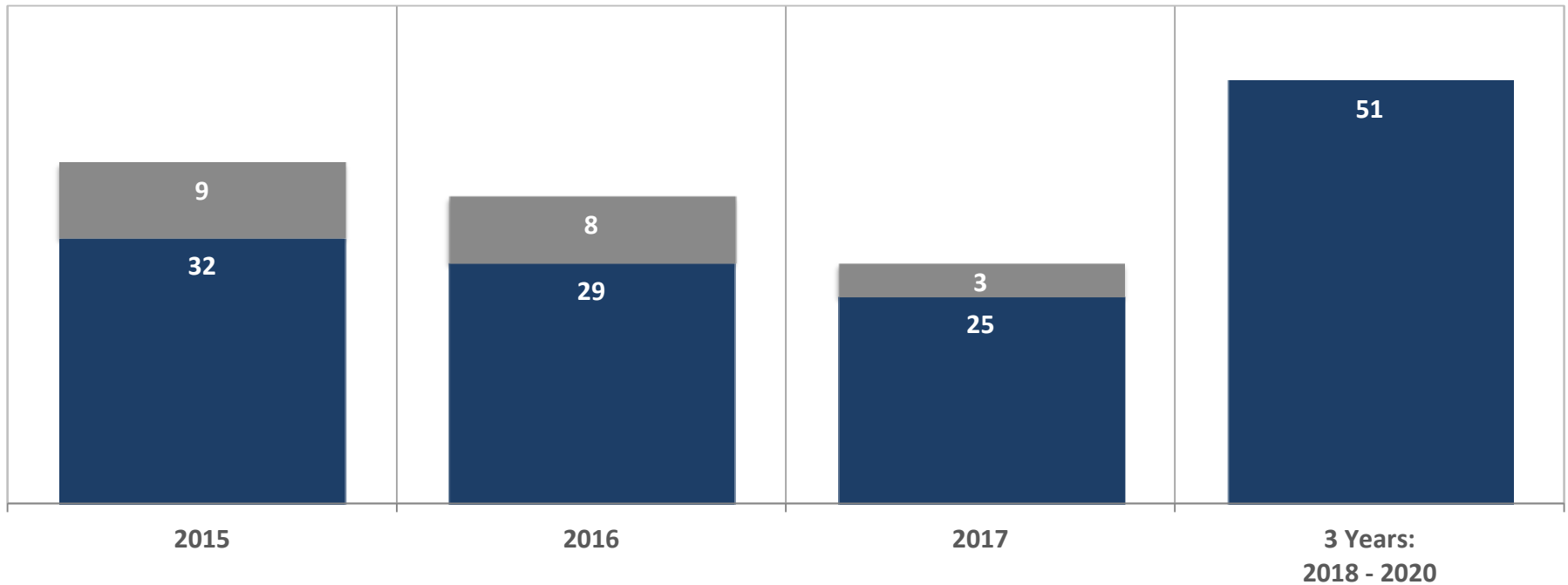
Source: Marsoft

- Freight rates showing continued strength
- Longer voyages expected as refineries import more oil and Asian countries build up reserves due to low oil price
- FSL Exposure
 - FSL Hong Kong on two-year TC starting May 2015
 - FSL Shanghai on one-year time charter (to be redelivered in July 2015)

Lease portfolio



Remaining contracted revenue stood at US\$157 million⁽¹⁾
as at 31 March 2015



Note 1: Based on revenue from 12 bareboat charters (excluding the TORM charters on variable rates) and from time charter contracts with Tesoro (FSL Shanghai and FSL Hong Kong) and Petrobras which are on fixed-rate time charters

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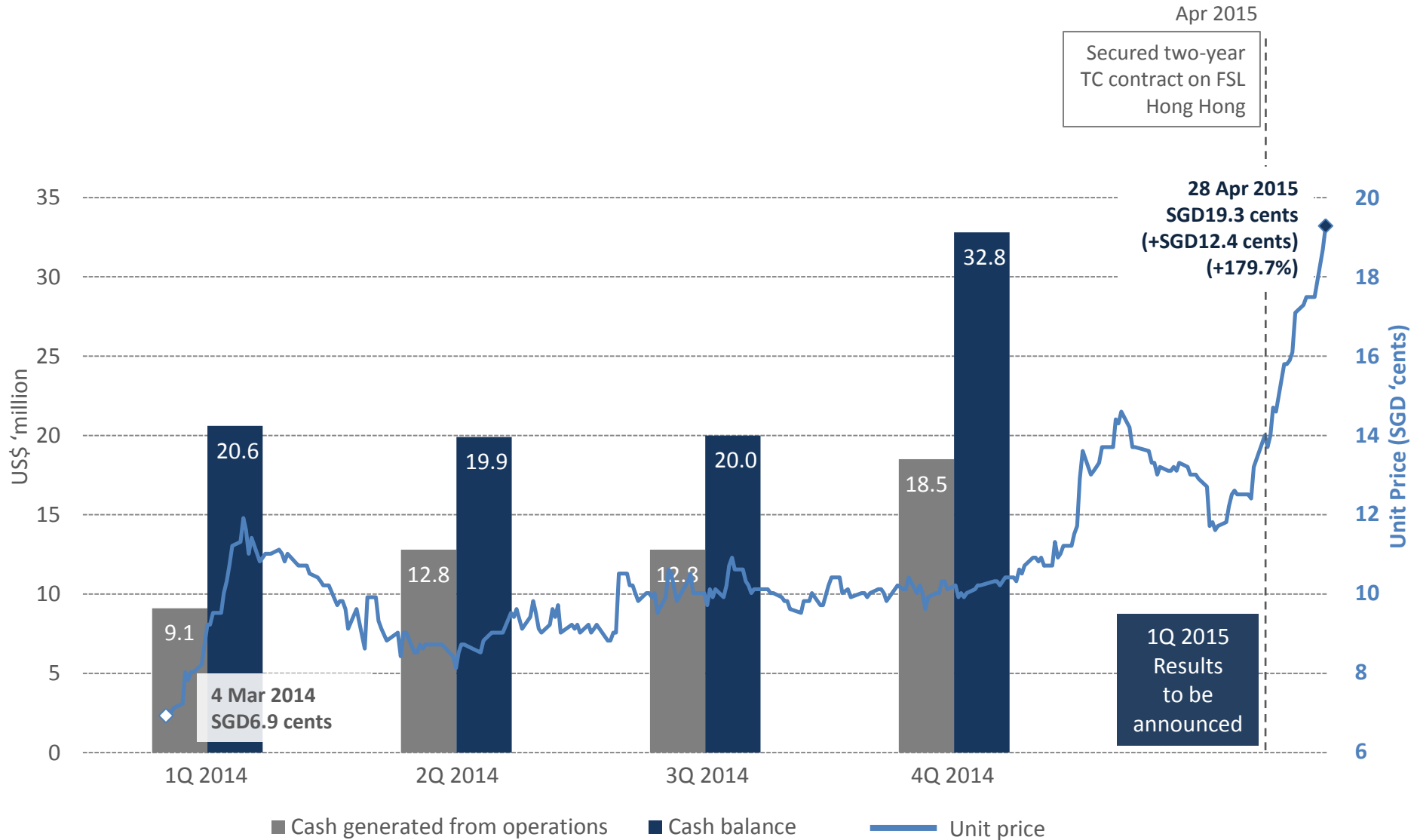
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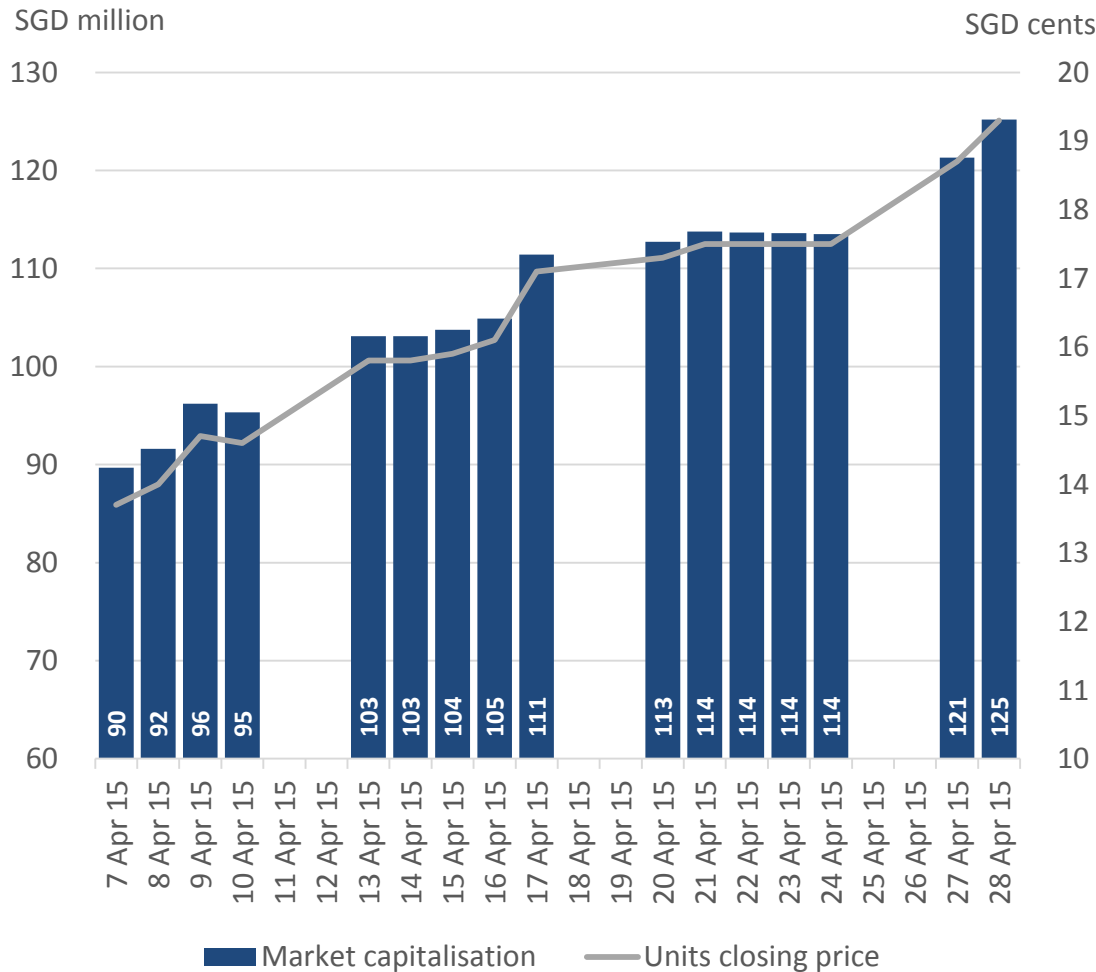
Questions & Answers

Performance update



Unit buy-back strategy

Market capitalisation and unit price



- Board and Management believes the units are undervalued
- Bought back 6,017,200 units (0.92%)
- Total cost of units bought back is S\$975,789 (US\$733,174)
- Since 1 Jan 2015, market capitalisation has improved by SGD\$57.1 million (US\$42.9 million) and 83.9%
- Last 12-month average daily trading volume of 670,000 units
- Last one-month average daily trading volume of 2,373,500 units

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- Significant progress achieved in the past 12 months
 - Trust is compliant with its loan covenants for first time since 2012
 - Returned to full-year revenue growth in 2014 despite smaller fleet
 - Returned to full-year profitability for the first time since 2009
 - Significantly reduced indebtedness and gearing

- Focus going forward will be on ensuring future covenant compliance, improving revenues and delivering unitholder value

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