

**FSL TRUST MANAGEMENT PTE. LTD.**

(As Trustee-Manager of First Ship Lease Trust)

(Company Registration No. 200702265R)

(Incorporated in Singapore)

---

**PROPOSED SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT  
(CAP. 50) TO FACILITATE THE EXTENSION OF THE SYNDICATED LOAN FACILITY DUE ON 20  
DECEMBER 2017**

---

The Board of Directors of FSL Trust Management Pte. Ltd. (as trustee-manager of First Ship Lease Trust (the “**Trust**”)) (the “**Trustee-Manager**”) wishes to announce that it has been in negotiations with the lenders of Trust’s US\$479,557,744 term syndicated loan facility dated 1 December 2011 (the “**Syndicated Loan Facility**”) for an extension of the maturity date by one-year (“**Extension**”) to allow for the refinancing of the Syndicated Loan Facility.

As at the date of this announcement, US\$165.6 million remains outstanding under the Syndicated Loan Facility. In spite of the downturn in the global shipping market and challenging operating environment, the Trustee-Manager has remained in compliance with its loan covenants since December 2014 and has been gradually reducing the amounts outstanding under the Syndicated Loan Facility through a series of scheduled payments, prepayments from vessel disposals and voluntary prepayments.

A majority of the lenders under the Syndicated Loan Facility have indicated their support for the Extension to the Trustee-Manager. However, as the Extension requires the consensus of all lenders under the Syndicated Loan Facility, the Trustee-Manager has applied to the High Court of Singapore to propose a scheme of arrangement under section 210 of the Companies Act (Cap. 50) with regards only to its obligations under the Syndicated Loan Facility (the “**Scheme**”). The Scheme proposes the Extension on terms that the Trustee-Manager believes majority of the lenders have indicated their support for.

The Scheme does **not** include the trade creditors of the Trust as the trade and other liabilities of the Trust apart from the Syndicated Loan Facility are not part of the proposed Scheme. The Trust remains in a substantial net equity position and the business and operations of the Trust will continue in the normal course. As previously announced on 8 November 2017, the Trust continued to register positive cash generation for the 9 months ended 30 September 2017.

In connection with the proposed Scheme, the Trustee-Manager has also made an application to the Singapore High Court under Sections 211B and 211C of the Companies Act for moratoria with respect to the Trust’s assets. Further announcements will be made by the Trustee-Manager via

SGXNET as and when there are any material developments, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

FSL Trust Management Pte. Ltd.

(Company registration no. 200702265R)

as Trustee-Manager of First Ship Lease Trust

Timothy James Reid

Non-Independent Non-Executive Chairman

18 December 2017