

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

DISCLOSURE REGARDING LITIGATION AGAINST TORM

FSL-25 Pte. Ltd. ("FSL-25") and FSL-26 Pte. Ltd. ("FSL-26"), wholly-owned subsidiaries of the First Ship Lease Trust ("FSLT") and respective owners of the LR2 Product Tankers "Torm Margrethe" (now renamed "FSL Piraeus") and "Torm Marie" (now renamed "FSL Perth"), had entered into seven year bareboat charter agreements with Torm Singapore Pte. Ltd. ("TORM") in June 2011.

In mid of 2018, TORM redelivered these two vessels back to FSL-25 and FSL-26 in an untradeable condition and in breach of the redelivery provisions of the bareboat charters. Class inspections after the redeliveries demonstrated deficiencies of a serious nature and registered nine (9) Conditions of Class for the M/T "Torm Margrethe" and three (3) for the M/T "Torm Marie".

Consequently, in order to protect the interests of the Unitholders, FSL-25 and FSL-26 performed all necessary repairs and claimed against TORM for the costs and losses incurred.

In relation to the M/T "Torm Margrethe", FSL-25 has filed a claim before the High Court in England, claiming a total amount of US\$1.89 million plus interest and legal costs. Security has been obtained for the claim in the form of a letter of guarantee in the amount of US\$2.53 million.

In relation to the M/T "Torm Marie", no security was voluntarily provided. Accordingly, FSL-26 arrested the M/T "Torm Amazon", a vessel owned by TORM, in Kaohsiung, Taiwan, on 4 January 2019. Upon provision of a guarantee in the amount of US\$0.61 million the vessel was released. FSL-26 will now file claims in the English High Court.

Litigation of the claims will now proceed and further announcements in relation to material developments will be made as and when appropriate.

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

Mr. Efsthathios Topouzoglou
Non-Independent Non-Executive Chairman
14 January 2019