



First Ship Lease Trust

Twelfth Annual General
Meeting

22 April 2019

2018: Operational Performance

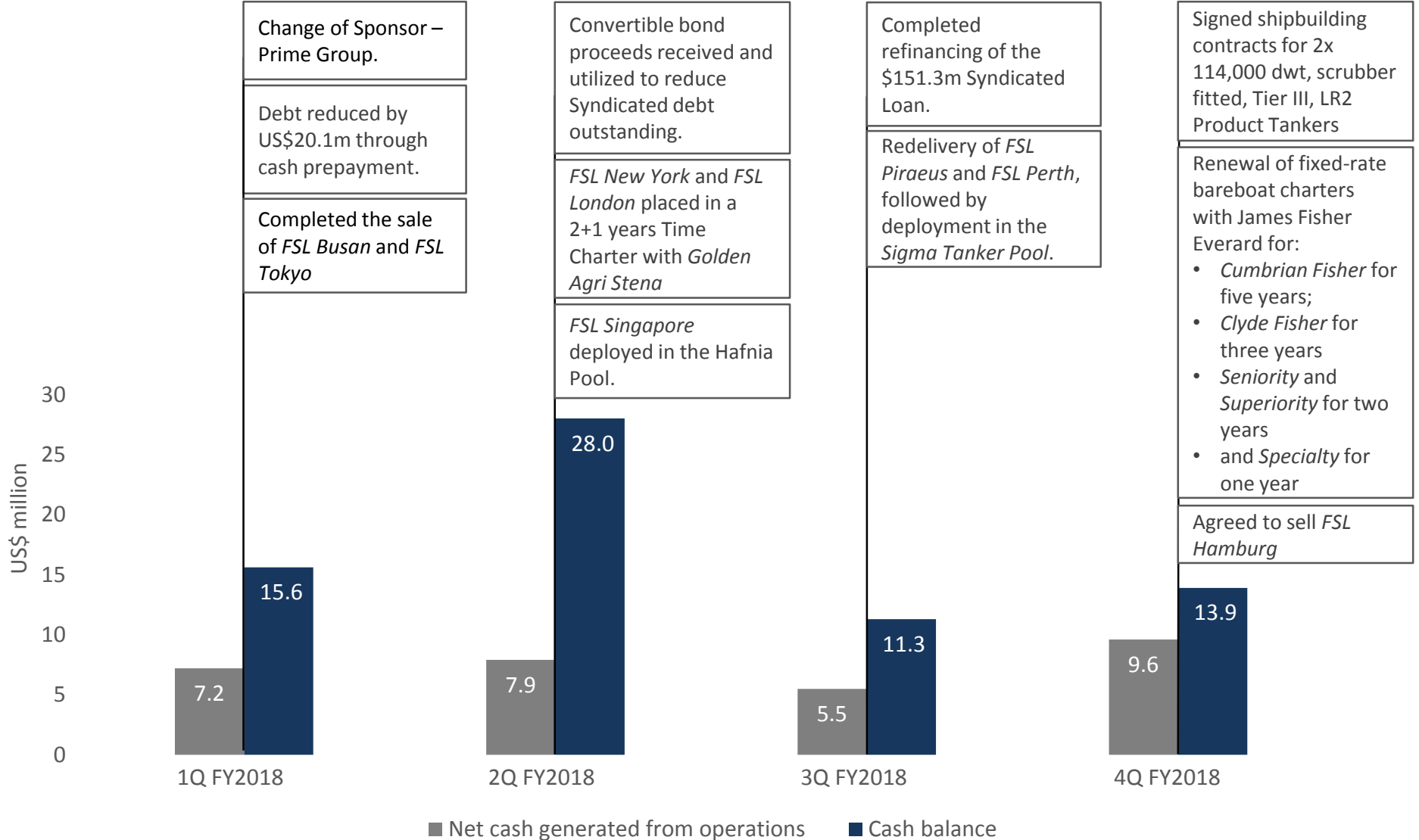
2018: Financial Performance

Recent Developments

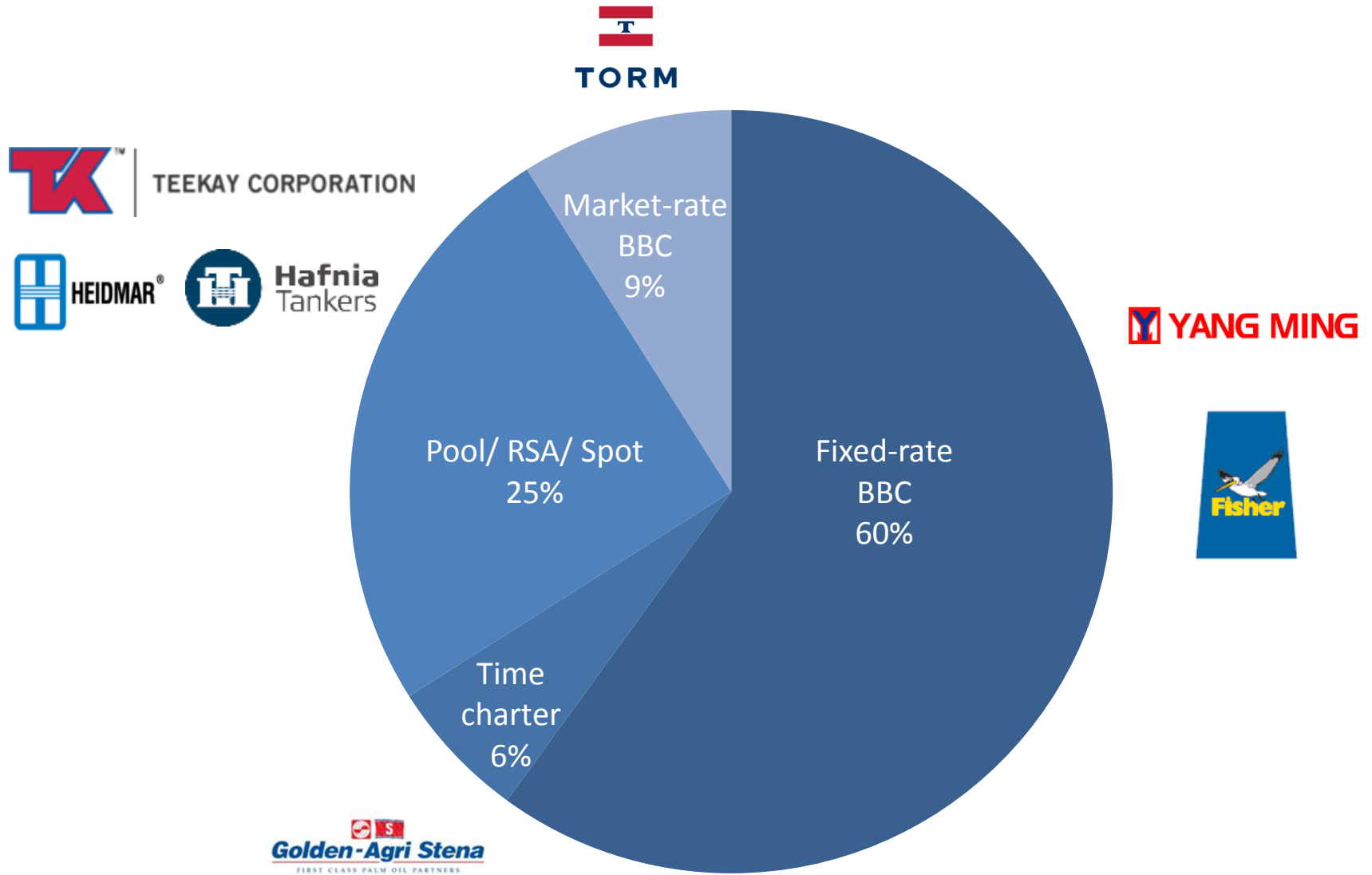
Summary

Questions & Answers

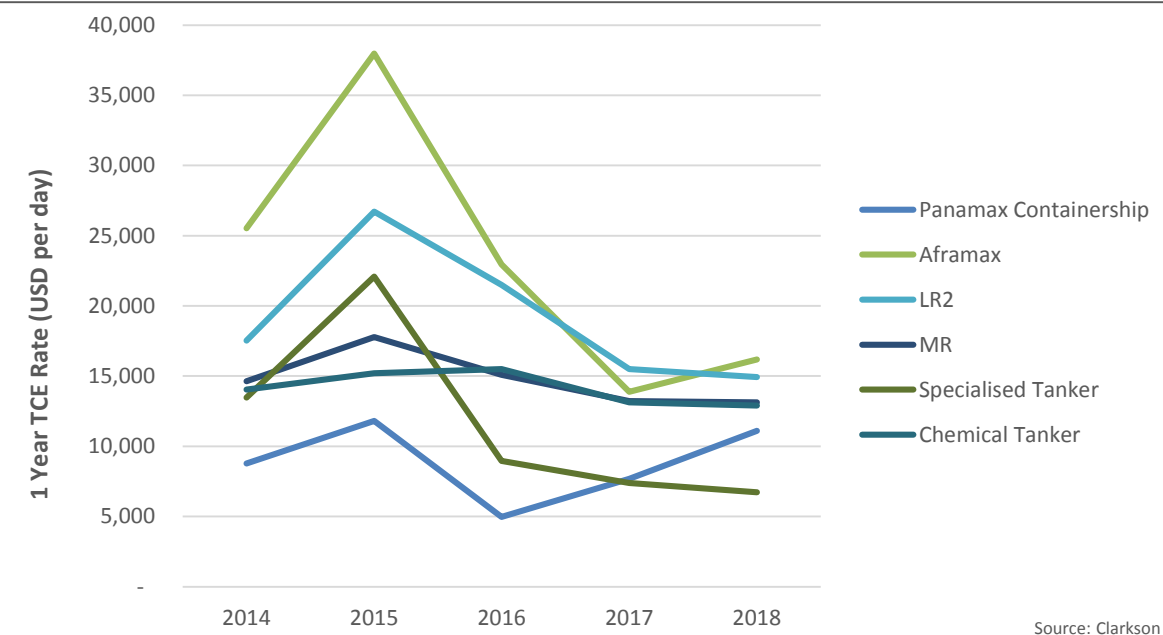
2018: Key Milestones



2018: Fleet Deployment by Revenue



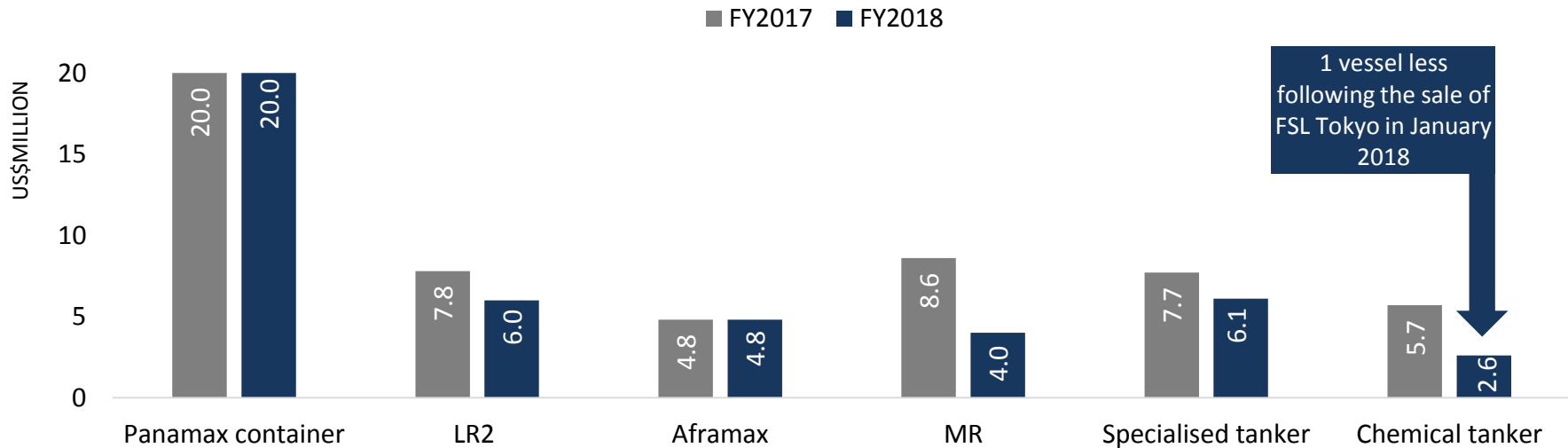
2018 vs 2017 Operational Performance and Market Trends



Industry Overview:

- Container market remains challenging:
 - Consolidation in 2018 although rates remain depressed
 - Forecast continued low demand in 2019
 - However some early signs of improvement with expected growth in advanced economies.
- Tanker markets under increased pressure
 - Rates in the Aframax, LR2, MR and specialised tanker segments have remained depressed, under pressure from vessel oversupply.

Source: Clarkson



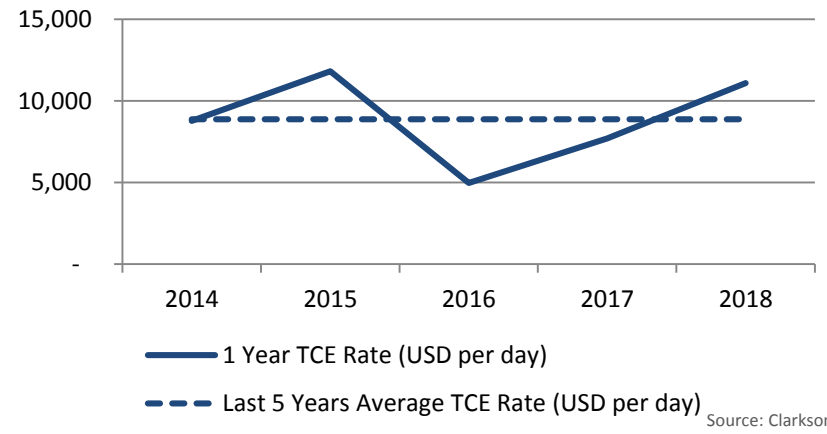
* excluding the feeder containerships FSL Santos and FSL Busan sold in December 2017 and January 2018

2018 vs 2017 Operational Performance and Market Trends

Panamax Containership
(YM Eminence, YM Elixir and YM Enhancer)



Panamax Containership

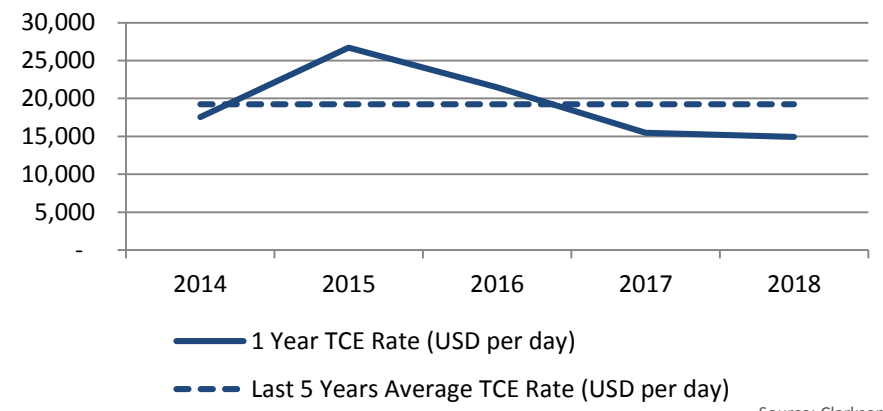


2018 vs 2017 Operational Performance and Market Trends

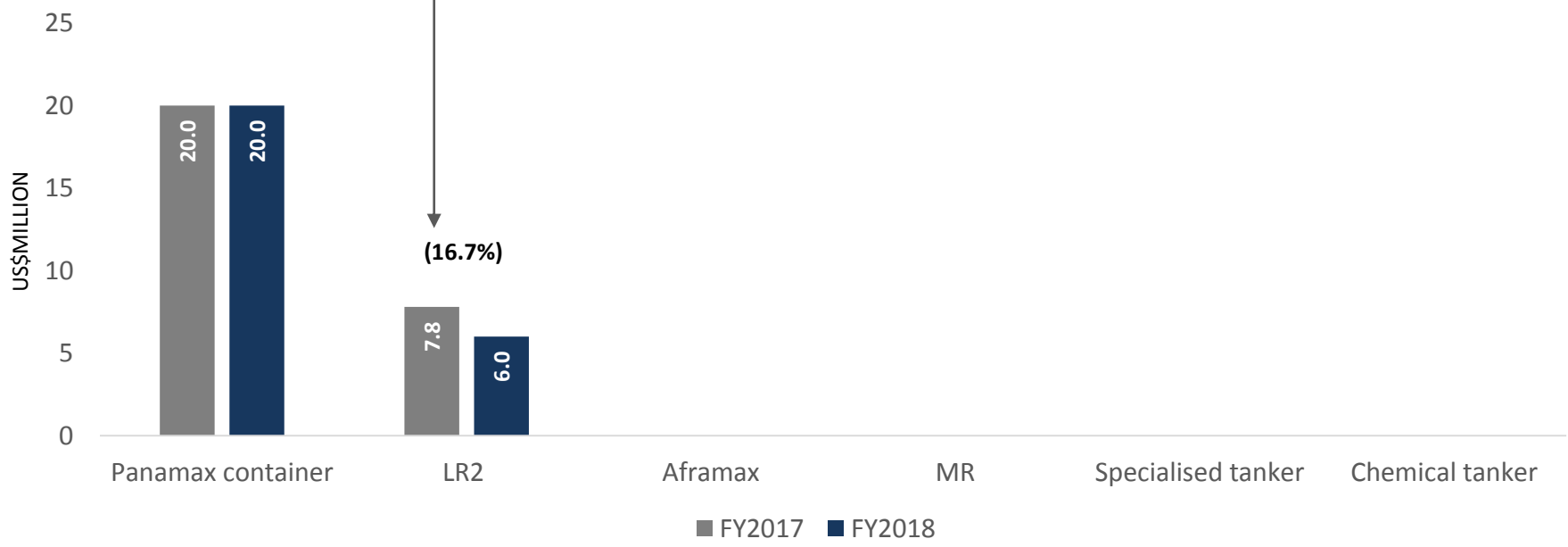
LR2
(*FSL Piraeus* and *FSL Perth*)



LR2



Source: Clarkson

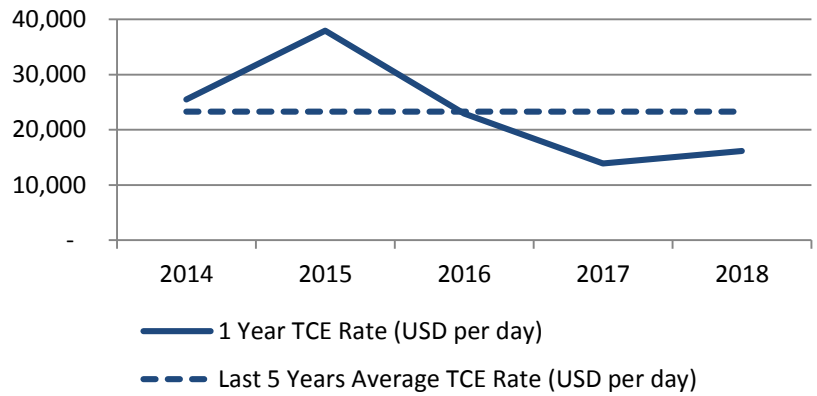


2018 vs 2017 Operational Performance and Market Trends

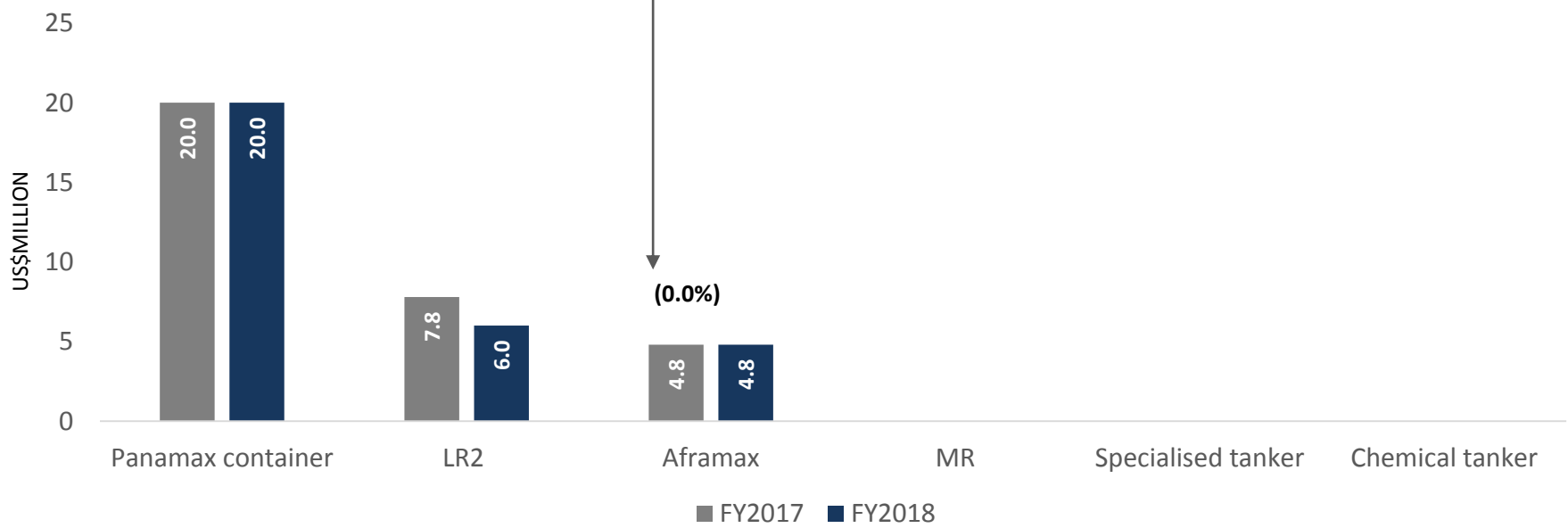
Aframax
(FSL Hong Kong and FSL Shanghai)



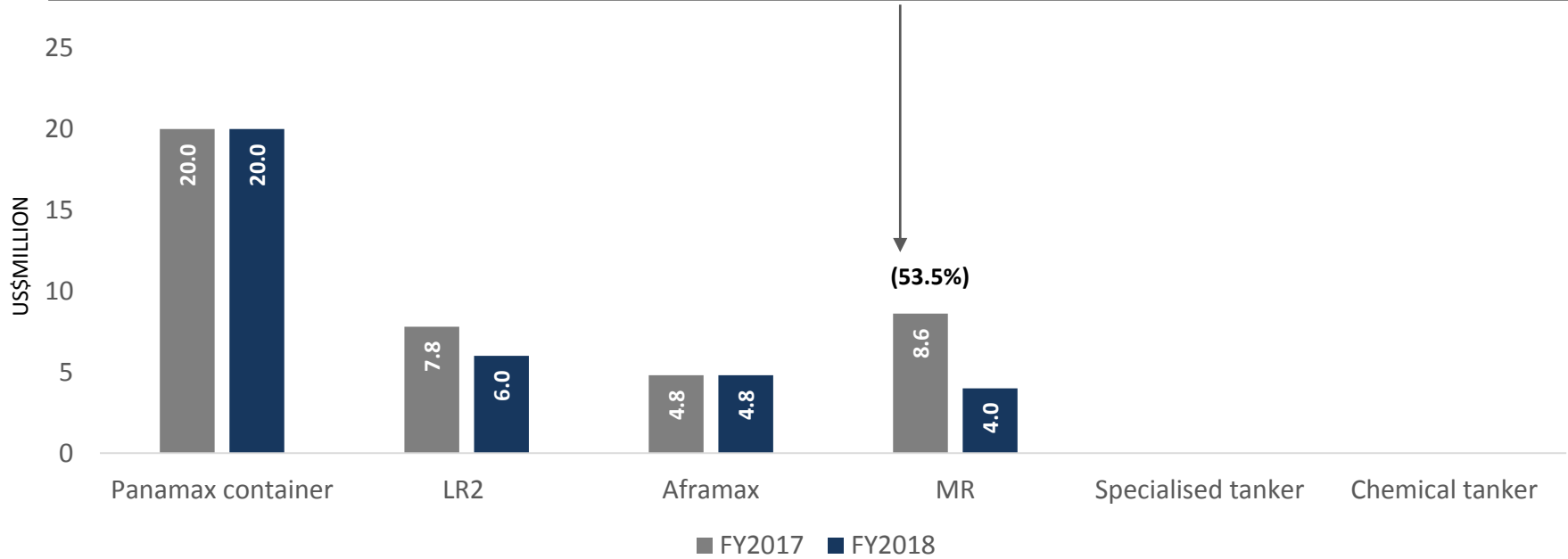
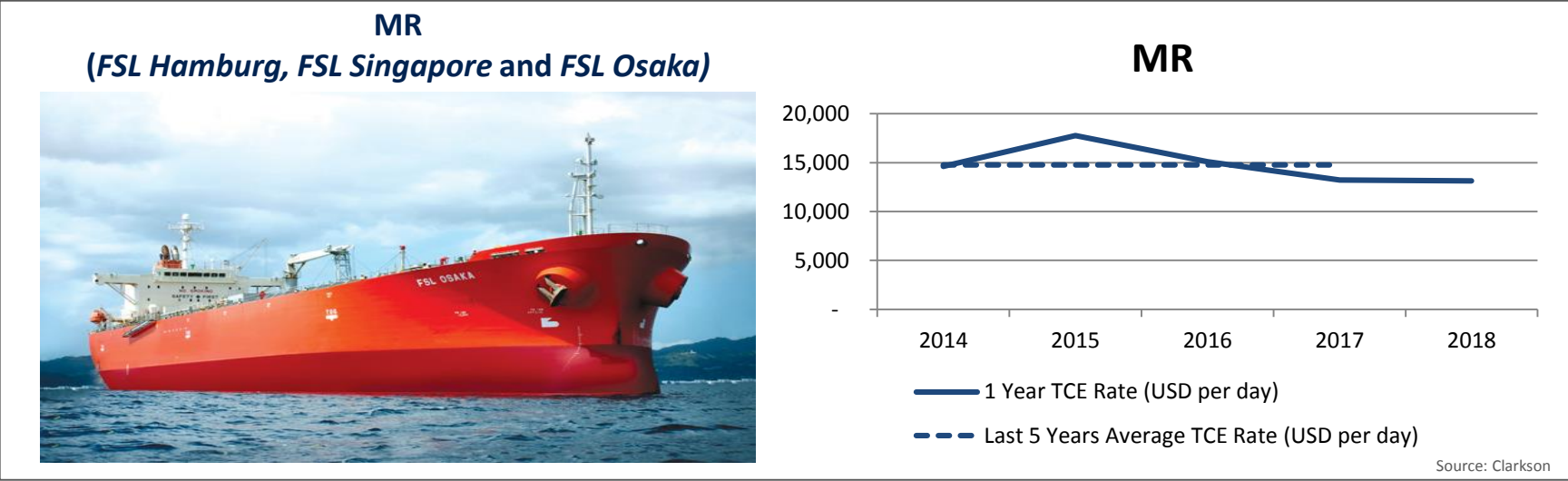
Aframax



Source: Clarkson



2018 vs 2017 Operational Performance and Market Trends

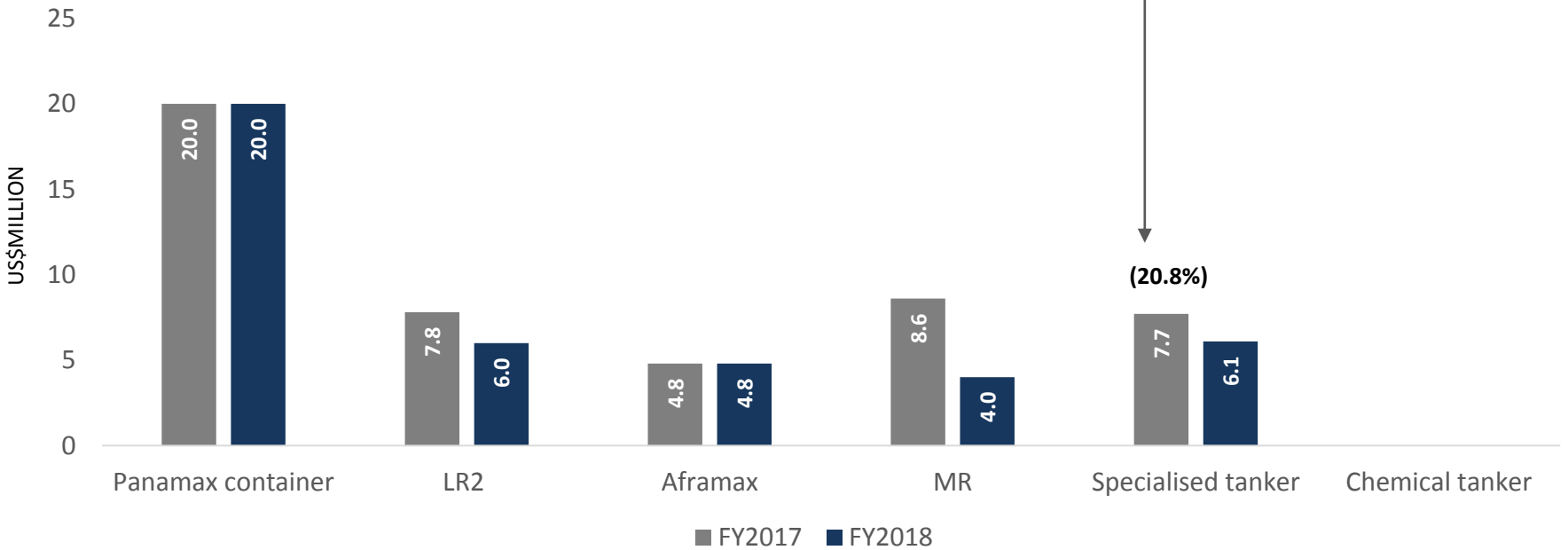
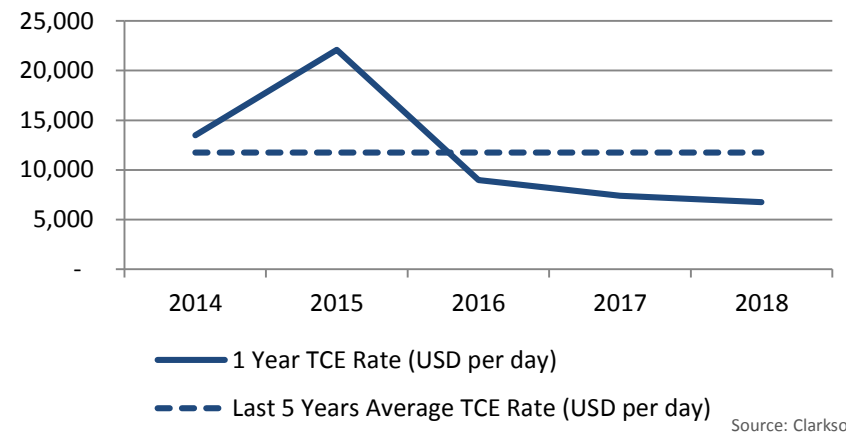


2018 vs 2017 Operational Performance and Market Trends

Specialised Product Tanker (Speciality, Seniority, Superiority, Cumbrian Fisher, Clyde Fisher, Solway Fisher and Shannon Fisher)



Specialised tankers

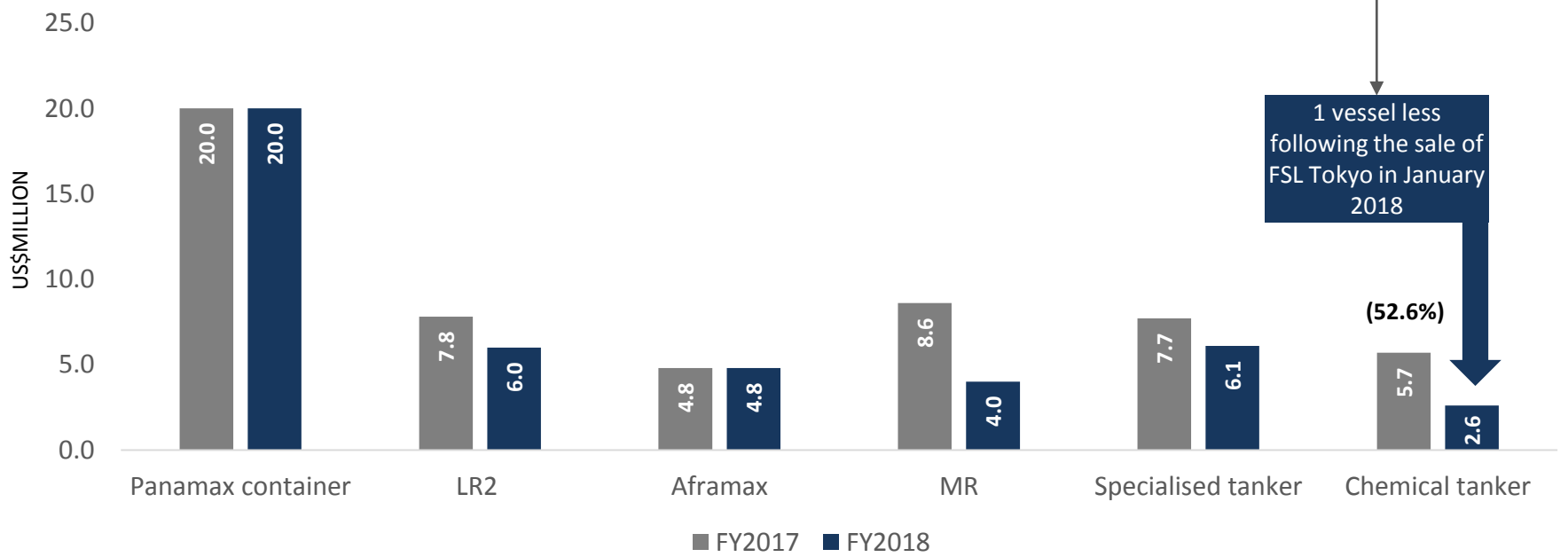
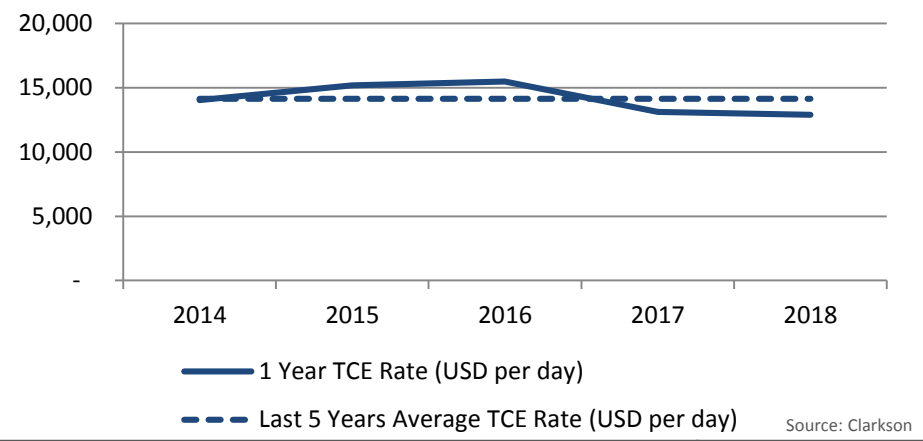


2018 vs 2017 Operational Performance and Market Trends

Chemical Tanker
(FSL New York, FSL London and FSL Tokyo)



Chemical tankers



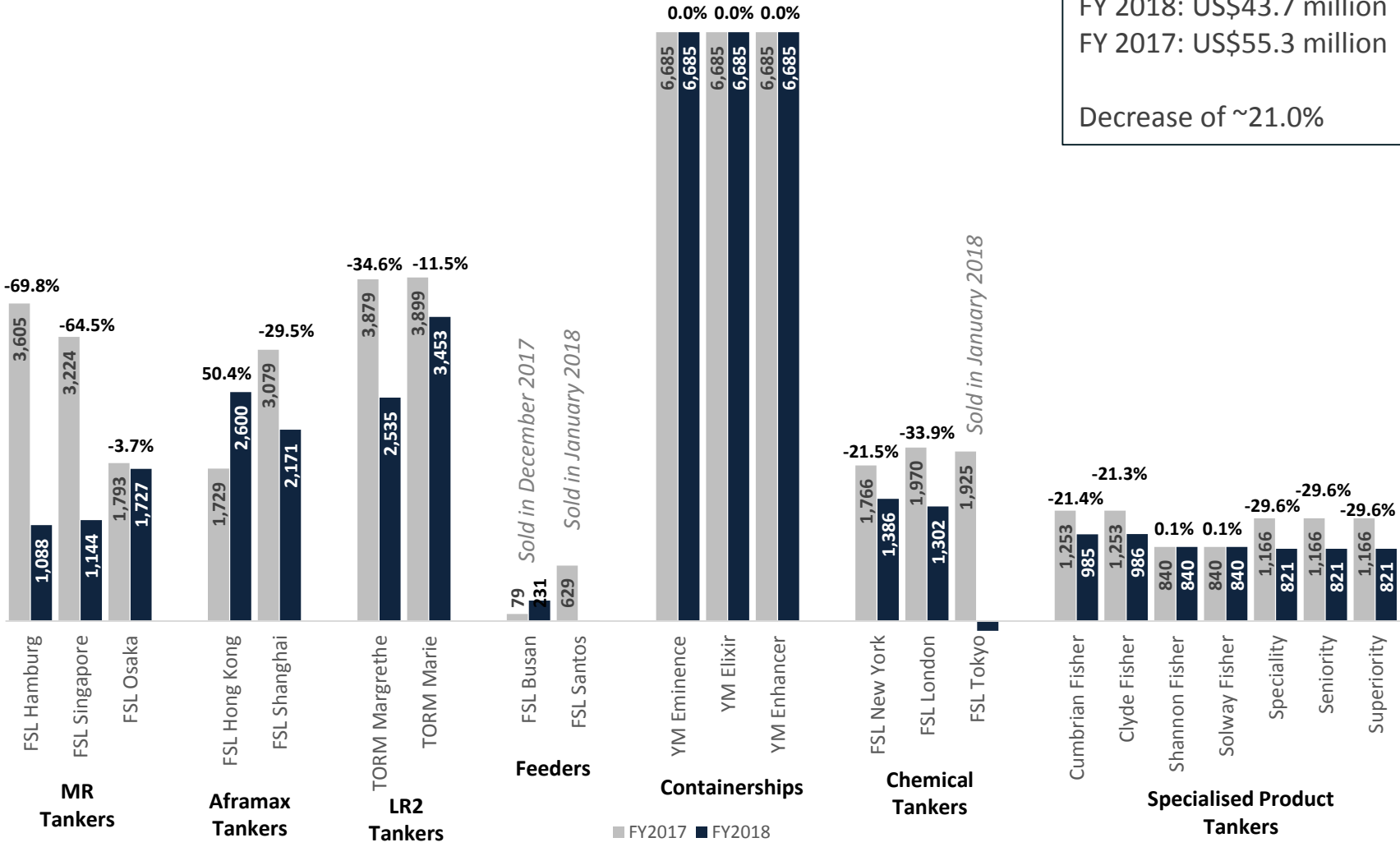
2018 vs 2017 BBCE Revenue

Total BBCE revenue:

FY 2018: US\$43.7 million

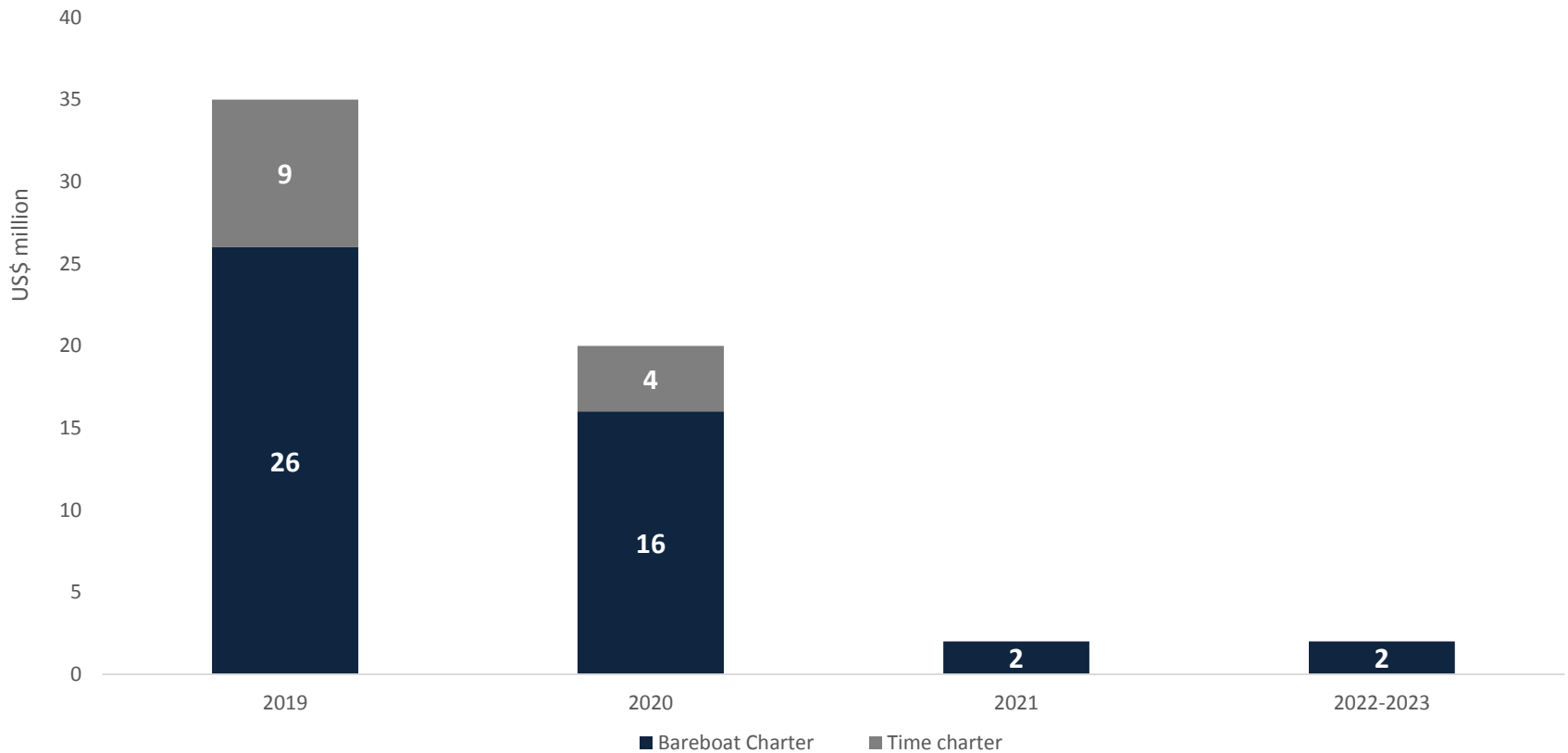
FY 2017: US\$55.3 million

Decrease of ~21.0%



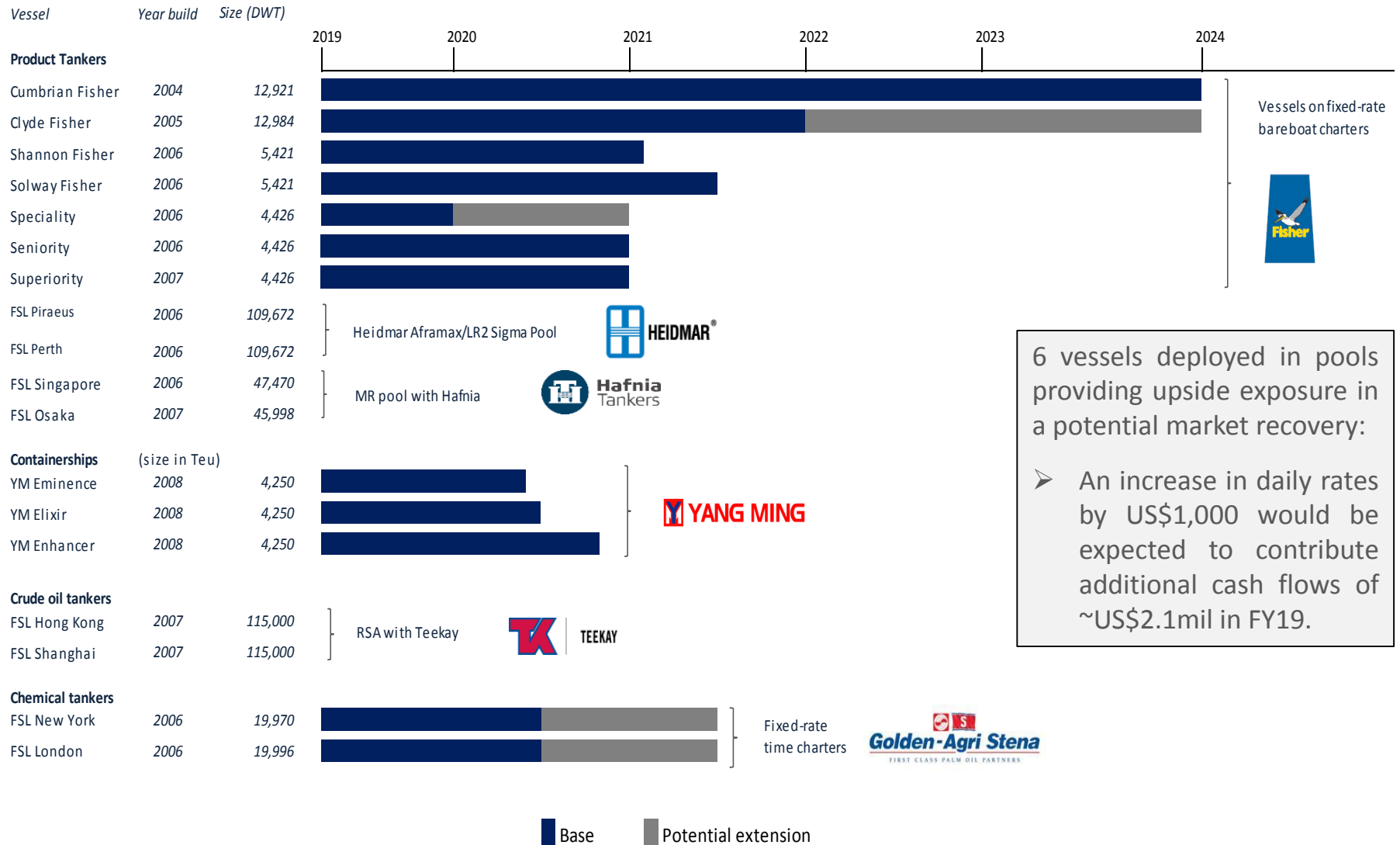
Revenue Backlog

US\$ 59m of contracted revenue
as of 31 December 2018



* Based on revenue from ten bareboat charters and two time charter contracts, excluding extension options

Vessel Portfolio (as of 15 April 2019)



6 vessels deployed in pools providing upside exposure in a potential market recovery:

- An increase in daily rates by US\$1,000 would be expected to contribute additional cash flows of ~US\$2.1mil in FY19.

■ Base ■ Potential extension

Scheduled Redeliveries

During FY2018:

- *Speciality, Superiority and Seniority:* Their bareboat charters extended upon expiration during the year.
- *FSL Singapore:* Upon completion of the preceding time charter, the vessel was deployed into the Hafnia MR Pool in Q2.
- *FSL Piraeus and FSL Perth:* Following redelivery from preceding bareboat charter, the vessels joined the Heidmar Sigma Pool in Q3.
- *Cumbrian Fisher and Clyde Fisher:* Their bareboat charters extended before initially scheduled expiration.

During FY2019:

- Expected to be redelivered in FY2019:

Vessel	Date
Speciality	4Q FY2019

2018: Operational Performance

2018: Financial Performance

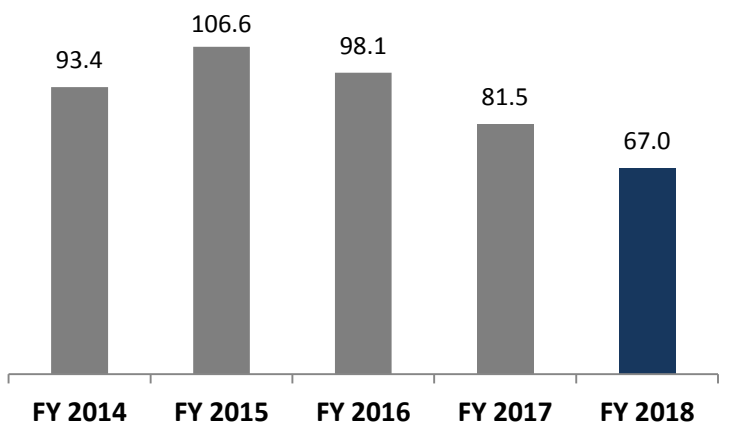
Recent Developments

Summary

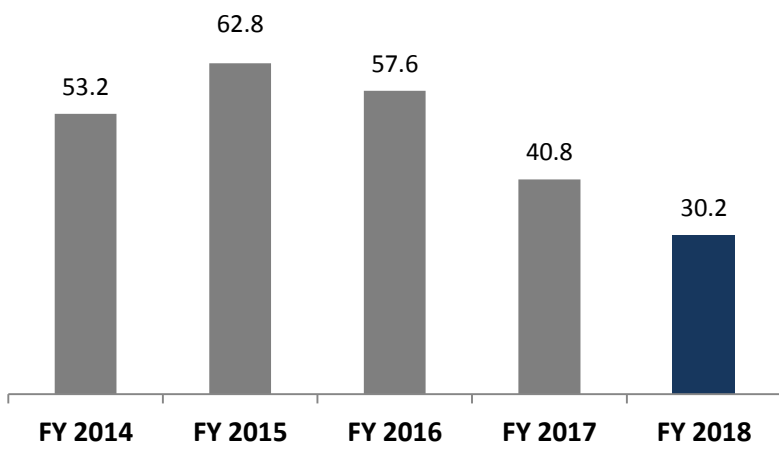
Questions & Answers

2018: Financial Highlights

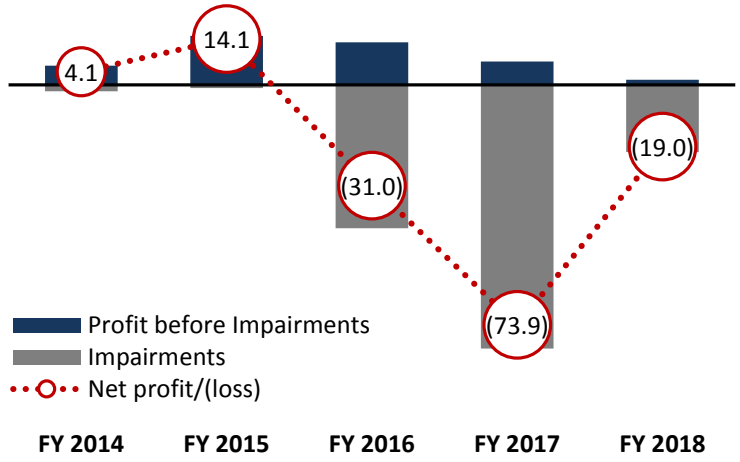
Revenue



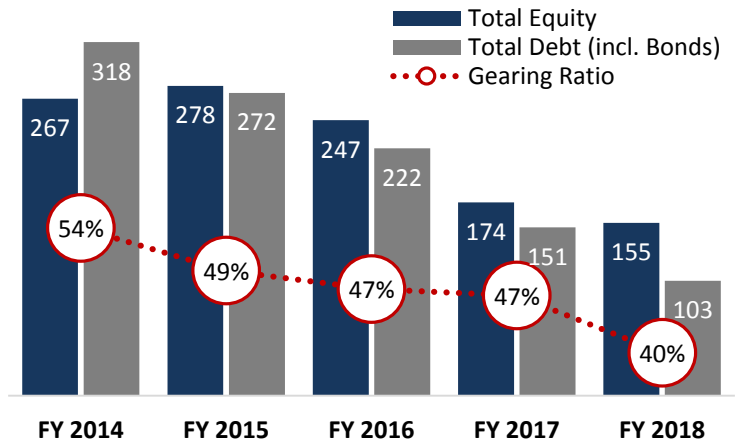
Net cash generated from operations



Profit / (Loss) for the year



Gearing



2018: Gearing, Bank Debt and Value-to-Loan

- During the financial year, the Trust reduced its outstanding debt by US\$45.8 million.
 - Scheduled and voluntary repayments
 - Cash generated from operations
 - Net proceeds from the sale of FSL Busan and FSL Tokyo

- Net proceeds of US\$7.0 million from the Convertible Bond helped reduce Syndicated Debt exposure prior to completion of the full debt refinancing.

- Gearing ratio improved from 57.6% in FY2012 and 46.6% in FY2017 to 40.0% in FY2018.

- VTL ratios strengthened as debt levels were reduced, with New Lender Covenants all met, despite vessel valuations continuing to decline during the year.

Refinancing

On 25 July 2018, the Trust completed the refinancing of the Syndicated Debt utilising:

- Funds from three New Facilities totalling US\$108 million:
 - US\$50 million from Hellenic Bank Public Company Limited;
 - US\$40 million from Chailease International Financial Services Co., Ltd.; and
 - US\$18 million from Amsterdam Trade Bank N.V..
- Net proceeds of US\$7.0 million from the Convertible Bond.
- Internal resources.

With the successful refinancing the Court protection was discharged and the Trust was once again able to proceed with other initiatives.

2018: Operational Performance

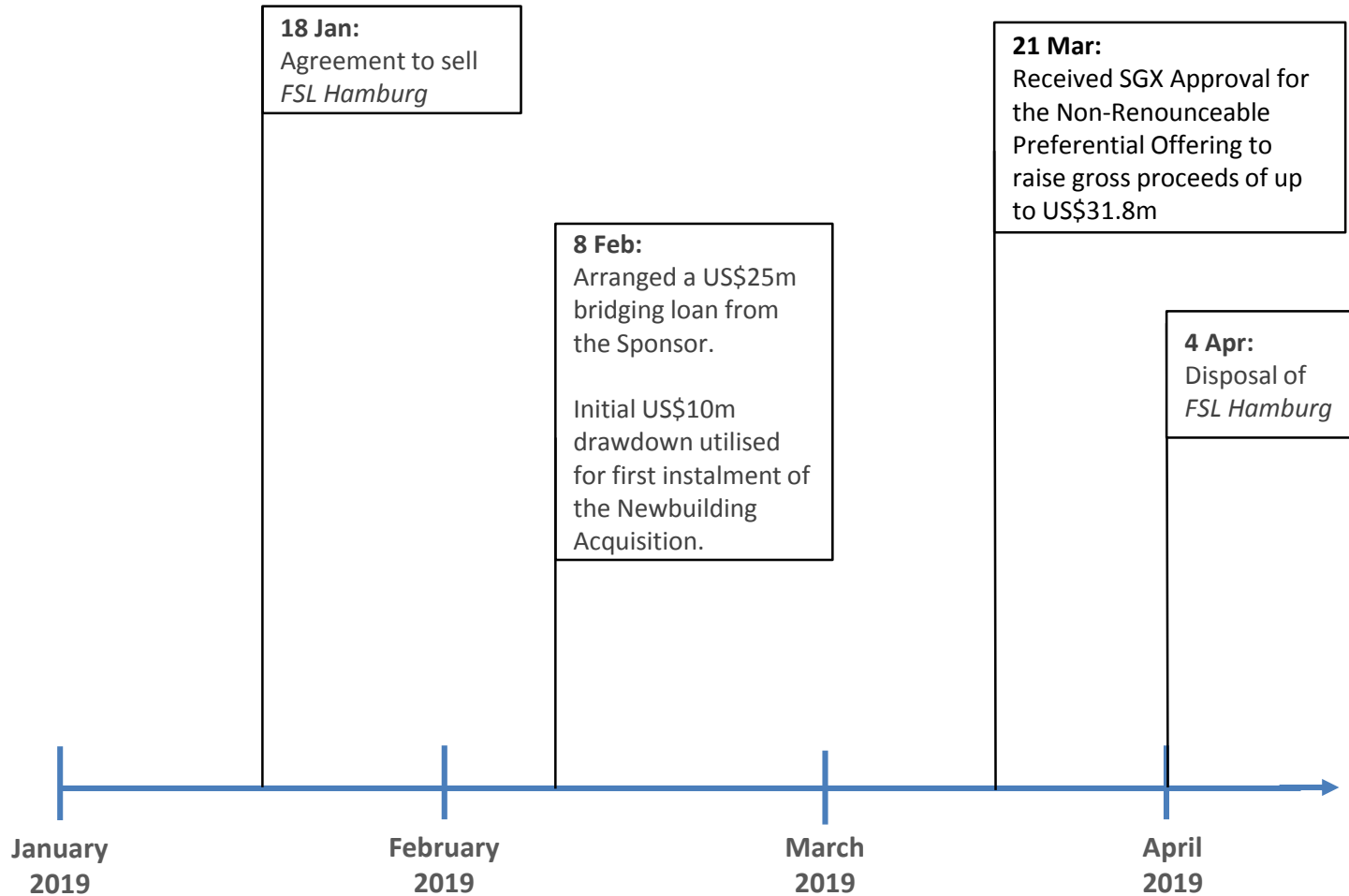
2018: Financial Performance

Recent Developments

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2019: Key Milestones to Date



Vessel Disposal



FSL Hamburg

Vessel type: MR Product Tanker

Built: 2005

Disposed: 4 April 2019

Impairment charge Q4 2018: US\$6.3m

Rationale for sale:

- Fleet renewal strategy
- Reduce outstanding bank debt
- Net proceeds circa US\$6.5m to be applied towards the Newbuilding Acquisition

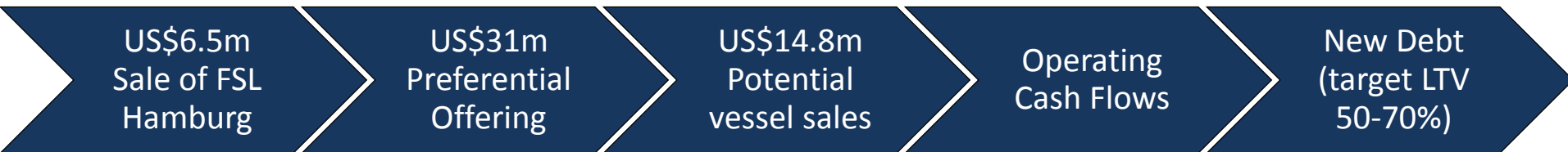
New Equity Raising

- On 26 November 2018, the Trust proposed a Non-Renounceable Preferential Offering to raise gross proceeds of up to US\$31.8m to commence renewing its fleet while also improving its financial position and capital base.
- The Extraordinary General Meeting following this AGM will cover the Preferential Offering in greater detail.

Newbuilding Acquisitions

The Trust entered into shipbuilding contracts with COSCO Shipping Corporation Group for two 114,000 DWT, scrubber fitted, TIER III, LR2 product tankers for an aggregate consideration of US\$97.6m.

- The New Vessels will be constructed according to latest shipbuilding designs and utilize new technologies focused on fuel consumption optimization. Therefore, more competitive to employ and more attractive to top-tier counterparties.
- The New Vessels are expected to be delivered in Q4 2020 and Q1 2021.
- Intended financing:



In connection to the above, in February 2019, the Sponsor extended a bridging loan of up to US\$25.0 mil (US\$10.0 mil drawn to date) enabling the Trust to cover any yard instalments until the completion of the Preferential Offering.

2018: Operational Performance

2018: Financial Performance

Recent Developments

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Summary

2018 saw positive cash generation despite challenging market conditions:

- Continued full deployment of the fleet.
- Four consecutive quarters of positive cash generation.
- Completed refinancing of previous \$151.3 mil Syndicated Loan.
- Funds raised from strategic vessel disposals and a \$7.0 mil Convertible Bond.
- New bankers supportive of the Trust and its future provided \$108.0 mil of new loans.

Focus for 2019:

- Completion of the Preferential Offering.
- Continuation of fleet renewal and growth strategy.

2018: Operational Performance

2018: Financial Performance

Recent Developments

Summary

Questions & Answers

Thank you.