

A large red oil tanker ship is shown from a side profile, sailing on a body of water. The ship has a white superstructure and a black funnel with the 'FSL' logo. In the background, a town with many houses is visible on a hillside under a blue sky with scattered white clouds.

First Ship Lease Trust

Extraordinary General Meeting

22 April 2019

Preferential Offering | Purpose

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 Newbuilding Acquisition is intended to be financed as follows:



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.

Preferential Offering | Terms

- Non-renounceable, non-underwritten Preferential Offering of up to 956,184,865 new units at the issue price of SG\$0.045 for each new unit
- 3 new units for every 2 existing units ¹ of FSL Trust
- Expected net proceeds:

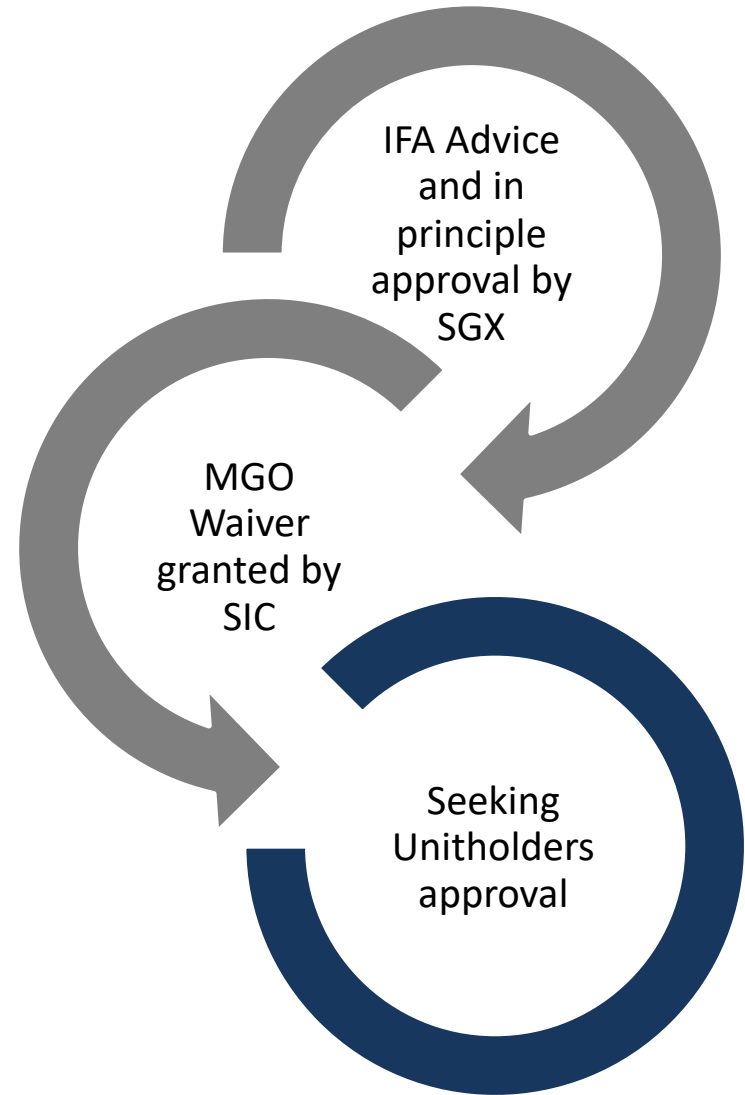
Subscription Scenario	Number of New Units to be issued	Net Proceeds ²
Minimum subscription	300,333,333	S\$13.02 million
Maximum subscription	956,184,865	S\$42.53 million

¹ Existing Units: 637,456,577

² Net of estimated expenses of S\$0.5 million

Preferential Offering | Rationale and Status

- Strengthen financial position and capital base of FSL Trust
- Enhance financial flexibility to renew ageing fleet, reducing fleet's age profile and enhance commercial attractiveness and marketability
- Increase market capitalisation and potentially improving trading liquidity
- Provide existing Unitholders with an opportunity to further participate in the equity of FSL Trust



Preferential Offering | Whitewash Waiver

- Undertaking Unitholders: Sponsor and Trustee-Manager.
- In support to the Preferential Offering and committed to FSL Trust, the Undertaking Unitholders intends^(*) to subscribe for an amount at least equal to the outstanding balance under the Bridging Loan as of the subscription date (currently US\$10 million).
- That could place them in a position to incur a Mandatory Offer.
- In accordance to Rule 14 of the Code, the Mandatory Offer Price should be at least SG\$0.045/unit.
- Therefore, the Undertaking Unitholders seek Unitholders approval of the Whitewash Waiver and will absent from voting on the relevant resolution.

^(*) subject to scale down which may be necessary dependent on subscription level - refer page 12 of the Circular

Preferential Offering | Indicative Timetable

15 May

- Books Closure Date

21 May

- Opening date and time for Offering

30 May

- Last Date and time for acceptance, application (if applicable) and payment for provisional allotments of New Units and excess New Units

10 June

- Listing of the New Units

Questions & Answers

Thank you.

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