



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

9 Temasek Boulevard, #19-03 Suntec Tower Two, Singapore 038989

Tel: 65 6836 3000 Fax: 65 6836 6001 Co. Reg. No. 200702265R

For Immediate Release

FSL Trust achieves key milestone in 2QFY19 with completion of Preferential Offering, and reports consecutive quarterly net profit

Singapore, 6 August 2019 – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announces its results for the second quarter and first half ended 30 June 2019 (“2QFY19” and “1HFY19” respectively).

The Trust posted revenue of US\$16.3 million for 2QFY19, a 2.2% decrease compared to 2QFY18, mainly due to the sale of one product tanker in April 2019. For 1HFY19, the Trust generated US\$35.4 million in revenue, which was up 5.6% from 1HFY18.

Despite the prolonged downturn in the markets, the Trust reported a net profit of US\$2.0 million in 2QFY19, as compared to US\$0.7 million in 2QFY18, and US\$5.0 million for 1HFY19 as compared to US\$1.6 million in 1HFY18. For the quarter, the Trust recorded total operating expenses of US\$12.3 million, down 10.5% as compared to 2QFY18 due to lower depreciation expenses. In addition, the Trust continued to generate positive cash flows from operations of US\$8.0 million in 2QFY19.

Significant Milestone Achieved – Successful Completion of Preferential Offering

During the quarter, the Trust raised net proceeds of approximately US\$31.0 million following the successful completion of its Preferential Offering. An amount of US\$10.22 million from the proceeds was used to repay the Sponsor Bridging Loan and Interest. The remaining net proceeds will be utilised to finance the remaining instalments for the two Newbuilding LR2 product tankers which are scheduled for delivery in Q4 2020 and Q1 2021. Plan approval is now completed, and works are proceeding according to schedule, with steel cutting to commence in September 2019.

The Preferential Offering strengthened the Trust’s financial position and capital base. It is a significant achievement in delivering the Trust’s strategy of renewing the fleet, and as well as offering existing Unitholders an opportunity to participate in the Sponsor-lead continued recovery and future growth of the Trust,

Commenting on the results and Preferential Offering, Roger Woods, Chief Executive Officer, said:

“The Trust’s operational performance has continued to improve and we are now reporting the second quarter of profits and positive cash flows. We remain cautiously optimistic that freight rates and therefore the earnings of our vessels employed in pools will improve in the second half of the year as refinery activity ramps up and middle distillate inventories are replenished ahead of IMO 2020 regulations. We are also better positioned to secure the long-term future of the Trust following the conclusion of the Preferential Offering and we look forward to continuing to improve the sustainability of the Trust and to creating long-term value to our Unitholders.”

Stathis Topouzoglou, Chairman of the Trust said:

I am pleased to report another healthy quarter for the Trust which was marked by the successful completion of the Preferential Offering. This enables the Trust to partially fund the construction of the two Long Range 2 product tankers ordered from Cosco last December. Within this framework, the Sponsor, in addition to offering Prime’s industry expertise, invested US\$23.3 million, further demonstrating its commitment to the Trust. Moving forward, the Board will continue to explore strategic initiatives aiming to achieve a new phase of growth for FSL Trust.”

END

2QFY19 Results Conference Call

FSLTM will host a conference call for all registered participants on Wednesday, 7 August 2019 at 10:00 am (Singapore time) to discuss the results. An audio recording of the conference call will be available on FSL Trust's website at www.FSLTrust.com from 12:00 pm (Singapore time) on Thursday, 8 August 2019.

About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI)

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a fleet of vessels across major shipping sub-sectors. FSL Trust presently has a diversified portfolio of 18 well-maintained vessels, comprising three containerships, eleven product tankers, two chemical tankers and two crude oil tankers. FSL Trust is listed on the main board of the Singapore Exchange.

This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Contacts:

Shih-Huei Ang / Myra Kheng / Derrick Tee
Klareco Communications
Telephone: +65 6333 3449
Email: FSLTrust@klarecomms.com