

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

FSL TRUST AGREES TO SELL ITS TWO LR2 PRODUCT TANKER NEWBUILDINGS

The Board of Directors (the “**Board**”) of FSL Trust Management Pte. Ltd., as trustee-manager (the “**Trustee-Manager**”) of First Ship Lease Trust (“**FSL Trust**” or the “**Trust**”), announces that two wholly-owned subsidiaries of the Trust have executed memoranda of agreement to sell the LR2 product tanker newbuildings *FSL Suez* (hull no. N944) and *FSL Fos* (hull no. N945) (the “**Vessels**”) to an unaffiliated third party following their deliveries from COSCO Shipping Heavy Industry (Yangzhou) Co. Ltd. (the “**Shipyard**”) and received the initial 15% deposit in escrow.

Due to delivery of the Vessels from the Shipyard and their disposal in short order, and to the benefit of the Trust and its unitholders, the Trustee-Manager has decided to waive the acquisition fee of 1.0% on the purchase price, as well as the divestment fee of 0.5% on the disposal price, that would otherwise be payable to the Trustee-Manager upon acquisition and sale, respectively, of an asset of the Trust.

To finance the final instalments payable to the Shipyard, the Trust has utilised its existing liquidity and the proceeds of a zero interest bridge facility in the amount of US\$ 12.5m (the “**Bridge Facility**”), two wholly-owned subsidiaries of the Trust have entered into with Prime Shareholdings Inc. (“**Prime**”). The Bridge Facility is secured by a guarantee of the Trust, bears no interest or fees and will be repayable to Prime following the completion of the disposals of the Vessels. Prime is the sole shareholder of FSL Holdings Pte. Ltd., the sponsor of the Trust.

The disposal is made in the ordinary course of business. Details of the net proceeds of the disposal and their utilization will be announced upon completion of the disposal.

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

Mr. Efstathios Topouzoglou
Non-Independent, Non-Executive Chairman
17 February 2021