



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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FSL Trust reports a net profit of US\$ 0.3 million for the 1st quarter of 2021 and declares a distribution to unitholders

Key Financial Highlights

- Adjusted EBITDA¹ of US\$ 2.5 million
- Net profit of US\$ 0.3 million
- No interest bearing debt and strong liquidity position
- Distribution to unitholders of 2 US cents per unit

Singapore, 23 April 2021 – FSL Trust Management Pte. Ltd. (“FSLTM”), the trustee-manager of First Ship Lease Trust (“FSL Trust” or the “Trust”), today announced the unaudited financial results of FSL Trust for the 1st quarter ended 31 March 2021.

For the 1st quarter 2021, the Trust reported an adjusted EBITDA¹ of US\$ 2.5 million and a net profit of US\$ 0.3 million, which reflects reduced earnings following a decline in freight rates for the tankers operating in pools, the maturity of the charters for three containerships in 2020 and the lower number of vessels in the fleet of FSL Trust compared to last year.

Despite the weak tanker markets and the lower earnings, the capital structure of the Trust remains very robust. Following the disposal of the three vessels *FSL Suez*, *FSL Fos* and *FSL Osaka* in February 2021 and March 2021, respectively, the Trust ended the 1st quarter 2021 with US\$ 47.8 million of cash and cash equivalents and no loans outstanding. Given the strong liquidity position, the Trust will pay a distribution to unitholders of 2 US cents per unit, US\$ 35.4 million in aggregate, whilst maintaining a healthy capital structure.

Of the fleet of eleven vessels as at 31 March 2021, nine vessels were employed under fixed-rate period charter with a remaining contracted revenue of US\$ 25.9 million²

In March 2021, the Trust accepted an offer from a reputable Taiwanese financial institution for a loan of US\$ 15.0 million to refinance six product tankers. The new loan will be made available subject to definitive documentation being entered into and have a maturity of five years from the date of the drawdown.

¹ Excluding gains/losses from the disposal of vessels and vessel impairments

² As at 31 March 2021, excluding optional periods (extension options and early termination options)

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

“Whilst we are able to report a positive result for the 1st quarter 2021 thanks to the majority of our vessels being employed under fixed-rate period charters, the reduced earnings reflect the changed fortunes in the markets since summer last year and the headwinds tankers are currently facing. At the same time, the disposal of the vessels without long-term employment during the last 12 to 18 months has hugely helped us to reduce market exposure and de-risk the Trust, which pays off now as the market environment remains challenging in the near future with oil production and refinery throughput remaining below pre-pandemic levels and demand for oil and oil products not having recovered.”

Stathis Topouzoglou, Chairman of the Board of Directors, commented:

“As the disruptions due to the COVID-19 pandemic continue, the Board of Directors thanks the entire FSL team and the crews on board our vessels once more for their professionalism and dedication during these testing times. We also thank our unitholders for their continued trust in us and the management team.

It becomes very clear that the world is changing for our industry due to the increasing pressure to reduce greenhouse gas emissions and urgently address climate change. We are not waiting for change to happen, but pro-actively take steps to reduce the carbon footprint of the Trust. In this respect, we have continued to dispose of our technologically outdated and emissions heavy vessels. Furthermore, we have made the decision to sell our two LR2 product tanker newbuildings which we ordered in 2018, when the world was very different, as the regulatory pressure to reduce carbon emissions was much lower. Looking forward, we will continue to evaluate shipping projects which can potentially deliver long-term stable cash flows, subject that they meet future low/net zero carbon emissions targets.

In the meantime, in light of the significant liquidity position of the Trust, the Board of Directors has decided to declare another distribution to unitholders of 2 US cents.”

1st Quarter 2021 Results Live Webcast

FSLTM will host a live webcast for all registered participants on Monday, 26 April 2021, at 10:00 am (Singapore time) to discuss the financial results of the Trust followed by a Q&A session. An audio replay of the live webcast will be available on FSL Trust's website www.firstshiplease.com from 12:00 pm (Singapore time) on Tuesday, 27 April 2021.

About First Ship Lease Trust

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a diversified fleet of well-maintained, oceangoing tankers across different sizes. The current vessel portfolio comprises 11 vessels of which 9 vessels are chartered to international shipping companies on fixed-rate period charters, whilst the other 2 vessels are employed in pools.

FSL Trust is listed on the Mainboard of the Singapore Exchange (SGX: D8DU; Bloomberg: FSLT SP; Reuters: FSLT.SI).

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.

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