



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For immediate release

FSL TRUST REPORTS 1QFY13 REVENUE OF US\$23.0 MILLION

- 1QFY13 loss due largely to impairment of investment in TORM; excluding this item, the Trust narrows loss to US\$1.8 million against 1QFY12's US\$4.2 million
- Earnings continue to be supported by 22 vessels on leases
- Sufficient cash flow to meet scheduled interest and principal repayments

Singapore, 22 April 2013 - FSL Trust Management Pte. Ltd. ("**FSLTM**"), as trustee-manager of First Ship Lease Trust ("**FSL Trust**" or the "**Trust**"), announced today the financial results of FSL Trust for the quarter ended 31 March 2013 ("**1QFY13**").

Revenue for 1QFY13 declined by 11.6% to US\$23.0 million against the corresponding quarter last year ("**1QFY12**"). In 1QFY13, all the Trust's vessels continued to generate revenue from their respective employments on bareboat charters and time charters as well as in the 'Nordic Tankers 19,000 Stainless Steel Pool' ("**Nordic Pool**"). On a bareboat charter/bareboat charter equivalent ("**BBCE**") basis, revenue fell 4.0% to US\$19.9 million compared to 1QFY12.

A breakdown of bareboat charter/BBCE revenue by charter type is provided below:-

	1QFY13 US\$'000	1QFY12 US\$'000	Dec %
Rentals from vessels on bareboat charter	17,342	21,239	(18.3)
BBCE revenue of vessels on:-			
- Time charter	1,160	-	N.M.
- Pool	1,382	-	N.M.
- Spot	-	(526)	(100.0)
Total bareboat charter/BBCE revenue	19,884	20,713	(4.0)

N.M. – Not meaningful

i) Bareboat Charter

The rentals received from 20 vessels leased on long-term bareboat charters continued to support the overall earnings of FSL Trust.

Rentals from vessels on bareboat charters in 1QFY13 fell 18.3% to US\$17.3 million, mainly because of payment defaults by subsidiaries of PT Berlian Laju Tanker Tbk for three chemical tankers since February 2012 and lower rentals from vessels leased to TORM A/S (“**TORM**”) and to OMNI Ships Pte. Ltd. (“**OMNI**”)¹ as the leases were restructured.

ii) Time Charter

FSL Hamburg and *FSL Singapore* are employed on time charters with Petróleo Brasileiro S.A. and, together, these vessels generated net time charter revenue of US\$2.4 million. After deducting vessel operating expenses, they earned BBCE revenue of US\$1.2 million in 1QFY13.

iii) Pool

The Trust’s three chemical tankers, *FSL New York*, *FSL London* and *FSL Tokyo*, continued their employment in the Nordic Pool and collectively generated net pool revenue of US\$3.3 million in 1QFY13. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$1.4 million.

Other operating expenses declined by 10.5% to US\$15.1 million, which was attributable to lower depreciation expenses arising from changes in the expected useful life and residual value of the two vessels leased to TORM and the two vessels leased to OMNI. In the corresponding quarter last year, non-recurring vessel-related expenses of US\$0.8 million were incurred because of the re-delivery of the three chemical tankers to FSL Trust.

¹ During the quarter, the restructuring of the bareboat charter agreements with OMNI was completed. The restructured terms are listed below:

- a) The base lease period has been extended from 11 January 2017 until 31 December 2018.
- b) The daily bareboat charter rates have been reduced to US\$5,445 from 1 January 2013 to 31 December 2014 and to US\$6,500 from 1 January 2015 to 31 December 2018.
- c) Profit share, if any, will be recognised at the end of the lease period.
- d) The early buyout and purchase options have been cancelled.

Overall, FSL Trust generated an operating profit of US\$4.8 million, an increase of 24.6% over the same period last year.

The Trust has pared down its outstanding indebtedness through quarterly principal repayments of US\$11.0 million since 1QFY12. Together with lower swap costs, these repayments contributed to a 22.3% drop in finance expenses in 1QFY13.

As a result of a significant decline in the quoted share price of TORM, an impairment loss of US\$5.3 million was recognised on FSL Trust's investment in TORM. Consequently, the Trust incurred a net loss of US\$7.1 million in 1QFY13.

In line with the temporary loan covenant relaxation obtained in June 2012, no distributions have been declared for 1QFY13.

As at 31 March 2013, cash and cash equivalents stood at US\$37.0 million (against US\$37.5 million as at 31 December 2012).

VESSEL PORTFOLIO UPDATE

The Trust's vessel portfolio comprises 25 vessels, of which 20 vessels are employed on long-term bareboat charters and two vessels are employed on time charters. As at 31 March 2013, these 22 vessels have a dollar-weighted average remaining lease period of approximately five years². The remaining three chemical tankers are employed in the Nordic Pool. The combined portfolio of 25 vessels has a dollar-weighted average age of approximately seven and a half years.

The Trustee-Manager remains engaged in a restructuring discussion with one bareboat charter lessee. Further details will be announced as and when there are material developments in this matter. Taking this restructuring into account, the Trust's vessel portfolio still generates sufficient cash flow to meet its scheduled interest and principal repayments.

² Excluding extension periods and early buyout options.

OUTLOOK

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: “We continue to closely monitor the deployment of our vessels and our lessees’ performance. Some of the Trust’s vessels have been positioned to take advantage of potential rate improvements in sectors that we believe should recover more quickly. Given the near-term uncertainties, we are in ongoing discussions with our lenders to extend the relaxation of our loan covenants and are confident of reaching an agreement soon.

The industry is working its way through excess capacity and, unfortunately, this process will take time, given the large number of newbuildings that have been delivered into the market. On a more positive note, the orderbook is now more manageable and supply pressures should subside gradually. So far, industry players have been relatively disciplined in managing capacity and financing for new ships has been limited. All these factors should set the stage for an eventual recovery.”

1QFY13 RESULTS CONFERENCE CALL

FSLTM will host a conference call for all registered participants on Tuesday, 23 April 2013 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 Wednesday, 24 April 2013.

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APPENDIX

A. Summary of FSL Trust Consolidated Results

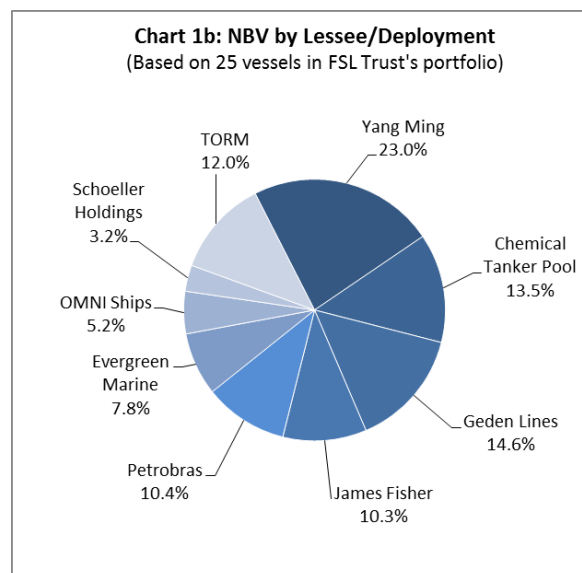
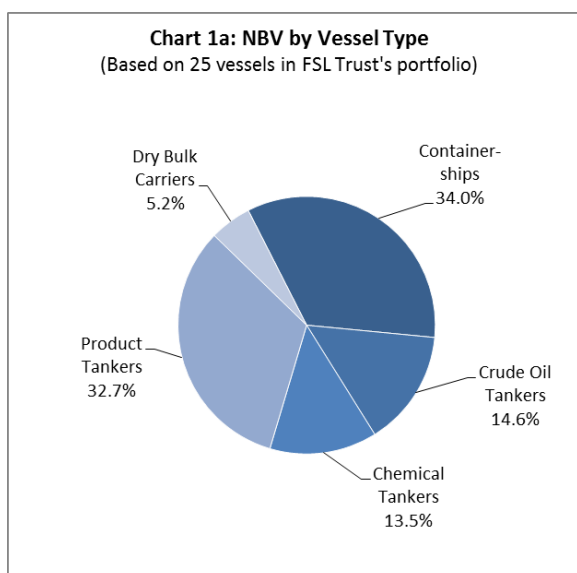
	1QFY13 US\$'000	1QFY12 US\$'000	(Dec)/Inc %	FY2012 US\$'000
Revenue	23,047	26,081	(11.6)	106,107
Results from operating activities	4,754	3,814	24.6	19,280
Loss for the quarter/year	(7,067)	(4,168)	69.6	(8,387)
Net cash generated from operations	11,675	9,844	18.6	47,608
Amount to be distributed	-	654	(100.0)	654
Distribution per unit for the period (US Cents)	-	0.10	(100.0)	0.10

B. 1QFY13 Revenue by Charter Type

	Bareboat charter US\$'000	Time charter US\$'000	Pool US\$'000	Total US\$'000
Revenue	17,342	2,443	3,262	23,047
Less: Voyage and vessel operating expenses	-	(1,283)	(1,880)	(3,163)
Total bareboat charter/BBCE revenue	17,342	1,160	1,382	19,884

Note: Depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

C. Net Book Value by Vessel Type and by Lessee/Deployment



Note: Net book value as at 31 March 2013 was US\$708.5 million.

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

First Ship Lease Trust (“FSL Trust” or the “Trust”) is a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has a diversified portfolio of 25 modern and high-quality vessels, comprising seven containerships, 11 product tankers, three chemical tankers, two crude oil tankers and two dry bulk carriers.

FSL Trust is managed by FSL Trust Management Pte. Ltd., the trustee-manager. The trustee-manager aims to grow and diversify the Trust’s portfolio through accretive acquisitions of vessels with leases, to increase predictable cash flow generation and to provide regular cash distributions to unitholders of the Trust.

FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) and its American Depositary Receipts (ADRs) are quoted on the PrimeQX tier of International OTCQX. FSL Trust is a component stock of the FTSE ST Maritime Index and the MSCI Global Micro Cap index.

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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