



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

FIRST SHIP LEASE TRUST TO DISTRIBUTE US\$12.1 MILLION TO UNITHOLDERS FOR 4Q FY07

- ***Distribution per unit of US2.42 cents – 13.6% higher than IPO projection, 8.5% higher than preceding quarter***
- ***Revenue of US\$15.2 million – 31.4% higher than IPO projection***
- ***Annual acquisition target raised by 50% to US\$300 million for FY2008***

Singapore, 16 January 2008 - FSL Trust Management Pte Ltd (“FSLTM”), trustee-manager of First Ship Lease Trust (“FSL Trust”), today announced a total distribution of US\$12.1 million to unitholders of FSL Trust for the fourth quarter ended 31 December 2007 (“4Q FY07”). This represents 100% of the amount available for distribution.

Based on 500 million outstanding units, the Distribution Per Unit (“DPU”) is US2.42¢, 13.6% higher than the projected DPU at the time of FSL Trust’s Initial Public Offering (“IPO”) in March 2007 and an increase of 8.5% over the DPU for the quarter ended 30 September 2007 (“3Q FY07”).

SUMMARY OF RESULTS

	FY 2007¹	1 Oct 2007 to 31 Dec 2007		
	Actual	Actual	Projection	% Change
Revenue (US\$'000)	40,715	15,224	11,585	31.4
Net profit after tax (US\$'000)	6,303	1,882	2,196	(14.3)
Net Distributable Amount (US\$'000)	34,750	12,100	10,666	13.4
Amount to be distributed (US\$'000)	34,750	12,100	10,650	13.6
Distribution Per Unit (“DPU”) (US cents) ²				
For the period	6.95¢	2.42¢	2.13¢	13.6
Annualised	9.06¢	9.68¢	8.52¢	13.6

¹ FSL Trust was constituted on 19 March 2007. The initial vessel portfolio and its respective leases were acquired on 27 March 2007, which was the listing date. There were no operating activities for the period prior to 27 March 2007.

² FSL Trust’s distribution policy for the period from listing date to 31 December 2007 is to apply 100% of the Net Distributable Amount to Unitholders.

FSL Trust reported revenue of US\$15.2 million for the quarter, 31.4% higher than projection. This was due mainly to the purchase and concurrent leaseback of three product tankers from James Fisher Everard Limited in June 2007 and two product tankers from Groda Shipping & Transportation Ltd in November 2007.

Mr Philip Clausius, Chief Executive Officer of FSLTM, said: "We are very pleased with our achievements for the fourth quarter. Revenue continued to grow compared to the preceding quarter and was significantly higher than what we projected at IPO. Our demonstrated ability to grow FSL Trust through accretive acquisitions and increase distributions to our unitholders – exceeding projection – is testimony that FSL Trust is an attractive investment, offering an attractive yield with significant growth prospects for investors."

From its initial portfolio of 13 vessels at listing, FSL Trust now has a portfolio of 18 vessels as at 31 December 2007 comprising four containerships, nine product tankers, three chemical tankers and two dry bulk carriers.

DISTRIBUTION

For 4Q FY07, unitholders will receive US2.42¢ for each unit they own. This translates into an annualised DPU of US9.68¢, or 13.6% higher than projection. Based on FSL Trust's closing unit price of S\$1.20 and assuming an exchange rate of US\$1 = S\$1.431 on 15 January 2008, this translates into a distribution yield of 11.5%.

Compared to 3Q FY07, the DPU for 4Q FY07 increased by US0.19¢ or 8.5%. This was made possible mainly by the incremental cash flow resulting from the purchase and lease of two product tankers from two affiliates privately held Groda Shipping & Transportation Ltd on 7 November 2007.

The Books Closure Date is 24 January 2008, and payment to unitholders of the distribution of US2.42¢ per unit³ will be made on 22 February 2008.

SUBORDINATION AND FEES PAID TO FSLTM

The period under review falls under the Subordination Period (listing date of 27 March 2007 to 30 June 2009). During this Subordination Period, the Sponsor⁴ has agreed to subordinate its entitlement to the distribution in respect of 50% of its Units, and the Trustee-Manager has agreed to subordinate its management fees should the forecasted DPU not be achieved in any quarter.

The DPU payable for 4Q FY07 is US2.42¢. This exceeds the forecasted DPU of US2.13¢; hence, the Sponsor and the Trustee-Manager do not have to surrender any of their distributions and management fees respectively.

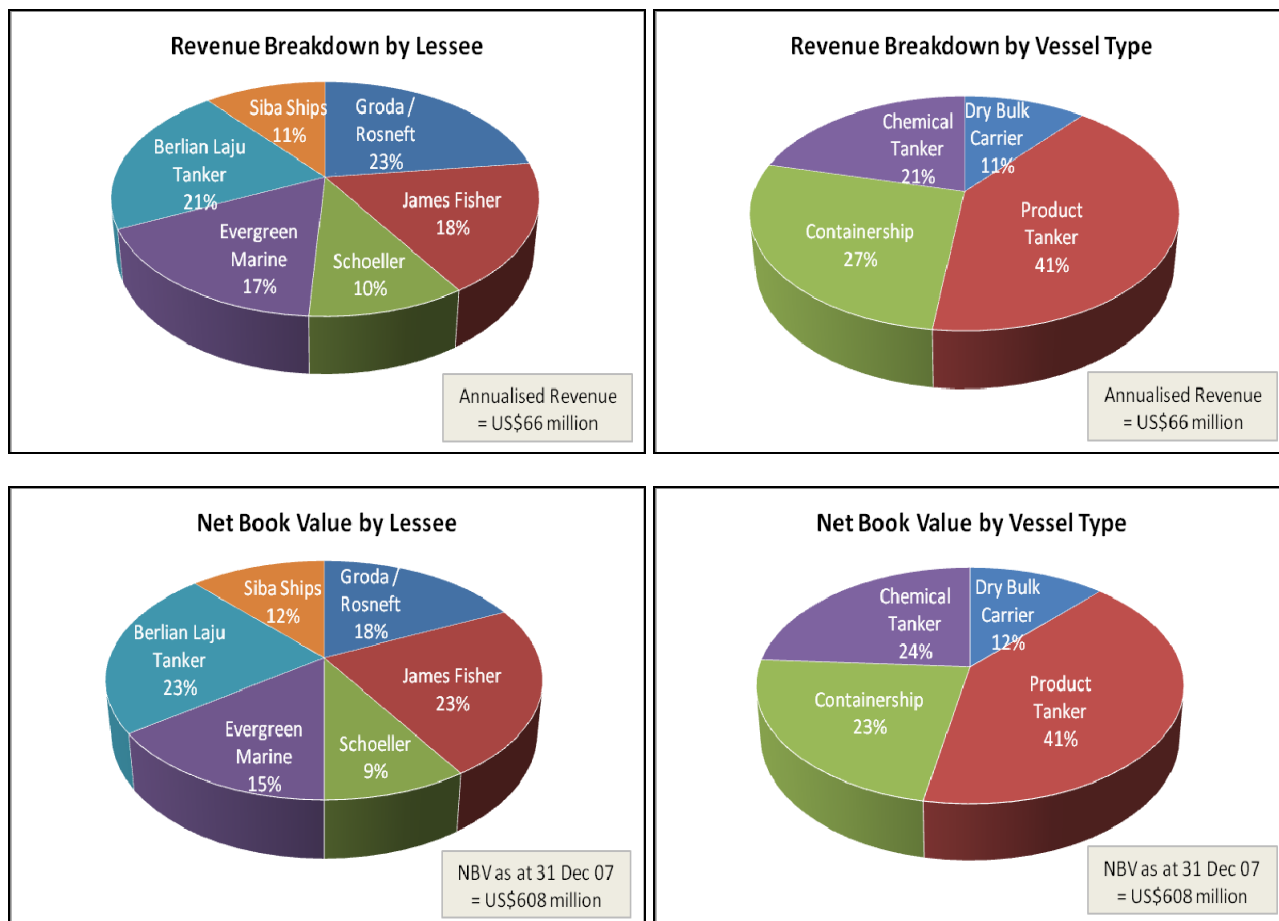
³ Unitholders whose units are held directly through CDP will receive their distribution in the Singapore dollar equivalent of the US2.42¢ declared. Unitholders who wish to receive the distribution in US dollars can do so by submitting a "Distribution Election Notice" to CDP by 11 February 2008.

⁴ The Sponsor is First Ship Lease Pte. Ltd. As at 31 December 2007, the Sponsor owns 30.1% of the units in FSL Trust.

The Trustee-Manager will not be entitled to any incentive fees as such fees are only payable if the actual Net Distributable Amount per unit exceeds US2.45¢ (i.e. 15% above the forecasted DPU of US2.13¢).

LEASE PORTFOLIO

FSL Trust's lease portfolio as at 31 December 2007 is as follows:



OUTLOOK AND PROSPECTS

FSLTM will continue to pursue acquisition opportunities as part of its strategy to grow FSL Trust. It is on track to accomplish its IPO target of US\$200 million asset acquisitions within 12 months of its listing date. So far, US\$158 million worth of vessels which are subject to long-term leases have been acquired.

According to Mr Clausius, the on-going global credit crisis is net beneficial for FSL Trust. He said: "Ship operators are turning increasingly to alternative financing solutions including leasing as they are facing greater difficulty in raising conventional bank finance. As a result of these developments, we have raised the annual acquisition target for FSL Trust from US\$200 million to US\$300 million for financial year 2008."

Any near term acquisitions by FSL Trust will continue to be funded exclusively by debt. The existing US\$250 million credit facility remains about US\$90 million undrawn. Given FSL Trust's long-term capital structure target of 1:1 for debt to equity, it has incremental borrowing capacity of about US\$200 million upon the full drawdown of the current credit facility.

Mr Clausius added: "We do not foresee any problem to raise these incremental debt funds on competitive terms and expect to do so within the first quarter of 2008."

-- end --

About First Ship Lease Trust

First Ship Lease Trust (Reuters: FSLT.SI; Bloomberg: FSLT SP) is a provider of leasing services on a bareboat charter basis to the international shipping industry. It has a modern, high quality and diverse portfolio of 18 vessels consisting of four containerships, nine product tankers, three chemical tankers and two dry bulk carriers. These vessels have an average age of approximately four years, and an average remaining lease period of approximately eight years (excluding extension periods and early buy-out options).

Managed by FSL Trust Management Pte. Ltd., FSL Trust seeks to become the leading provider of leasing services on a bareboat charter basis to the international shipping industry. To achieve this, FSL Trust Management Pte. Ltd. will focus on rapidly growing the vessel portfolio of FSL Trust through accretive acquisitions with long-term bareboat charters.

Media/Analysts Contact:

Singapore:

Weber Shandwick Worldwide

Ivan Tan, +65-9635-9765, itan@webershandwick.com

Darwin Peh, +65-9011-7369, dpeh@webershandwick.com

United States

IGB Group

Leon Berman, +1-212-477-8438, lberman@igbir.com

Michael Cimini, +1-212-477-8261, mcimini@igbir.com

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 current view of management on future events.

The initial public offering of units of First Ship Lease Trust (the "Offering") commenced on 19 March 2007 and closed on 22 March 2007. In the Offering, Deutsche Bank AG, Singapore Branch was the Sole Global Co-ordinator, Joint Lead Manager and Joint Bookrunner, and J.P. Morgan (S.E.A.) Limited was the Joint Lead Manager and Joint Bookrunner. The Co-Lead Managers to the Offering were CLSA Merchant Bankers Limited and Macquarie Securities (Asia) Pte Limited. The Manager and Co-ordinator of the Singapore Public Offer was Oversea-Chinese Banking Corporation Limited.

This announcement has been prepared and released by FSL Trust Management Pte. Ltd., as trustee-manager of First Ship Lease Trust. Deutsche Bank AG, Singapore Branch and J.P. Morgan (S.E.A.) Limited, in their capacity as Joint Lead Managers and Joint Bookrunners, are not required to and have not been involved in the preparation or release of this announcement and have not verified the accuracy, completeness or adequacy of the information contained herein. The Joint Lead Managers and Joint Bookrunners do not accept any responsibility for, and disclaim any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.