



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FSL Trust achieved a US\$1.6M profit for 3QFY19

Third Quarter 2019

- Net profit of US\$1.6 million
- Revenue growth of 3.5%
- Gearing ratio reduced to 27.8%

Singapore, 6 November 2019 – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announces its third quarter results for the period ended 30 September 2019.

The Trust achieved its third consecutive quarter of profitability in 3QFY19, with a net profit of US\$1.6 million - a turnaround compared to a US\$2.0 million net loss over the same period last year. Revenue in 3QFY19 rose by 3.5% to US\$15.5 million compared to the same period in 2018, driven by improved charter rates in pools and spot markets.

In 3QFY19, the Trust continued to generate positive cash flows from operations of US\$15.9 million. Following the conversion of the Convertible Bond into units, the net gearing ratio was further reduced to 27.8% (38.6% in 3QFY18). Finance expenses dropped by 36.5% (US\$0.9 million) compared to 3QFY18, largely due to lower outstanding indebtedness, bond interest and amortisation of debt transaction costs.

Update on the Use of Proceeds raised from the Preferential Offering

Of the US\$31.0 million net proceeds FSL Trust raised from a Preferential Offering on 7th June 2019, US\$10.2 million was used to set-off against the Outstanding Amount and accrued interest of the Bridging Loan from the Sponsor, while US\$4.9 million was used to pay the second instalment of 10% of the consideration for New Vessel Hull N944. The remaining US\$15.9 million balance was placed on fixed deposits with Singapore banks, to be used for the next instalments due to the Shipyard.

Following the completion of the shipbuilding plan, works are proceeding as scheduled. Steel cutting for Hull N944 started in September 2019, while for Hull N945 the steel cutting is scheduled for November 2019.

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

“Our focus on strengthening the balance sheet was further supported by steadily improved profitability and cashflow. Despite market volatility, we remain cautiously optimistic about market conditions in the remainder of 2019 amid reduced tonnage supply with vessels being docked for IMO2020 scrubber installations, combined with the incremental demand stemming from the anticipated change in trading patterns due to the new low sulphur fuel requirements.”

Stathis Topouzoglou, Chairman of the Trust said:

“The close collaboration between the Board and the management team has been reflected on the improved and deleveraged financial position of the Trust which I am pleased to report. We are focusing on further optimizing the balance sheet, allowing the Trust to pursue future market opportunities. Going forward, we will continue to explore strategic alternatives for the benefit of the unitholders.”

END

3QFY19 Results Conference Call

FSLTM will host a conference call for all registered participants on Thursday, 7 November 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 Friday, 8 November 2019.

About First Ship Lease Trust (SGX:D8DU; 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.

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