



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FSL Trust achieves a turnaround US\$10.1 million net profit for FY 2019 and announces first full year distribution since 2012

Singapore, 5 February 2020 – FSL Trust Management Pte. Ltd. (“FSLTM”, SGX:D8DU), as Trustee-Manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announces its results for the fourth quarter and financial year ended 31 December 2019 (“4QFY19” and “FY 2019”). The Trust achieved a net profit of US\$10.1 million (“FY 2019”), a turnaround from a loss of US\$19.0 million in the previous year (“FY 2018”).

In light of the strong performance in FY 2019, the Trust has called for a distribution per unit (“DPU”) of 1.50 US cents for the fourth quarter. Unitholders can expect to receive the distribution on 13 March 2020. The closure of Transfer Books and Register of Unitholders is 5.00 pm on 13 February 2020.

During the year under review, the Trust continued to achieve growth in earnings. In FY 2019, revenue rose 9.0% from FY 2018 to US\$73.1 million. The Trust has also recorded net cash generated from operations of US\$38.6 million in FY 2019.

For 4QFY19, the revenue of the Trust was US\$22.2 million, 19.8% higher compared to 4QFY18. The Trust strategically employed part of the fleet in spot-trading pools and as such managed to benefit from the fourth quarter market upturn, fuelled by tighter tonnage supply and positive market sentiment ahead of IMO2020 regulations.

As a result, FSL Trust reported a net profit in 4Q FY19 of US\$3.5 million (net loss recorded in 4QFY18 at US\$18.5m) and a positive net cash generated from operations of US\$14.0 million.

Review of 4QFY19 and FY 2019 Operational Performance

| | 4Q 2019 | 4Q 2018 | Inc/(Dec) | FY 2019 | FY 2018 | Inc/(Dec) |
|---|----------|----------|-----------|----------|----------|-----------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Rentals from vessels on bareboat charter BBCE revenue of vessels on:- | 6,584 | 6,553 | 0.5 | 26,205 | 30,310 | (13.5) |
| -Time Charter | 570 | 891 | (36.0) | 3,266 | 2,529 | 29.1 |
| -Pool | 9,154 | 5,056 | 81.1 | 20,624 | 10,516 | 96.1 |
| -Spot | (20) | (136) | (85.3) | (275) | 343 | N.M. |
| Total bareboat charter/BBCE revenue | 16,288 | 12,364 | 31.7 | 49,820 | 43,698 | 14.0 |

IMPROVED OPERATIONAL PERFORMANCE

Expenses from FY 2019 operations decreased 28.3% to US\$56.2 million, from US\$78.4 million in FY 2018. As for 4Q 2019, the Trust's expenses from operations were lowered by 50.7% as compared to 4Q 2018, from US\$35.5 million to US\$17.5 million. This was mainly attributable to lower depreciation expenses and vessel impairments.

Total bareboat charter equivalent ("BBCE") revenue for 4Q FY19 increased by 31.7% year-on-year to US\$16.3 million, while total BBCE revenue for FY 2019 increased by 14.0% to US\$49.8 million from US\$43.7 million in FY 2018, due to stronger market rates.

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

"With the full support and engagement of the Sponsor and Board, the management team was able to improve our performance and has taken advantage of the market improvements, which led to generate positive cash flow for 4QFY19 as well. The Trust remains cautiously optimistic in our 2020 outlook and will continue to focus on operating performance and vessel portfolio management to maximize returns."

Stathis Topouzoglou, Chairman of the Trust, said:

"The significant improvement of the tanker market in the fourth quarter of the year complemented the board's and management's ongoing efforts and marked the complete turnaround of the Trust. We are therefore pleased to be in a position to deliver on our promise given during 2018 to our trusted unitholders, by recommencing distributions with a proposed DPU of 1.50 US cents.

While the tanker market remains strong, we'll endeavour to continue capitalizing on the improved asset values and in parallel will actively explore future market opportunities and strategic alternatives for the benefit of our unitholders."

ENDS

4QFY19/FY 2019 Results Conference Call

FSLTM will host a conference call for all registered participants on Thursday, 6 February 2020 at 10am (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 12pm (Singapore time) on Friday, 7 February 2020.

About First Ship Lease Trust (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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