November 14, 2012

Global Ship Lease Reports Results for the Third Quarter of 2012

LONDON, Nov. 14, 2012 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and nine months ended September 30, 2012.

Third Quarter and Year To Date Highlights

- Reported revenue of $39.5 million for the third quarter 2012, up from $38.7 million for the third quarter 2011 mainly due to improved utilization from 47 less days offhire in the third quarter 2012 from fewer drydockings. Revenue for the nine months ended September 30, 2012 was $117.0 million compared to $116.6 million for the nine months ended September 30, 2011. There were 82 days offhire in nine months to September 30, 2012, of which 72 were for planned drydockings, compared to a total of 94 days offhire in the same period for 2011, of which 88 were for planned drydockings

- Reported net income of $8.3 million for the third quarter 2012, after a $1.5 million non-cash interest rate derivative mark-to-market gain. For the third quarter 2011 the reported net loss was $0.9 million, after a $6.1 million non-cash mark-to-market loss. Normalized net income(1) was $6.9 million for the third quarter 2012 compared to $5.2 million for the third quarter 2011, which excludes the mark-to-market items

- For the nine months ended September 30, 2012, reported net income was $23.8 million, after a $5.1 million non-cash mark-to-market gain. The net loss of $1.8 million for the nine months ended September 30, 2011 was after a $13.6 million impairment charge relating to the fair value of purchase options on two vessels and a non-cash interest rate derivative mark-to-market loss of $4.9 million. Normalized net income for the nine months ended September 30, 2012 was $18.7 million, up from $16.8 million for the nine months ended September 30, 2011

- Generated $26.9 million of Adjusted EBITDA(1) for the third quarter 2012, up from $25.2 million for the third quarter 2011. Adjusted EBITDA for the nine months ended September 30, 2012 was $78.9 million, up from $77.1 million for the nine months ended September 30, 2011

- New charters for two 4,113 TEU vessels commenced on September 20 and September 21, 2012 immediately on expiry of previous charters at $9,962 per vessel per day expiring May 23, 2013 plus/minus 22 days at charterer's option

- Agreed with lenders to waive the requirement to test the Leverage Ratio until December 1, 2014 and also to include all secured vessels in the test, whether subject to a charter or not

- Repaid $23.0 million of bank debt during the third quarter of 2012; repaid $46.9 million in the nine months ended September 30, 2012 and $162.3 million since the fourth quarter 2009

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "We generated strong results for the third quarter, despite challenging conditions in the container shipping industry. We successfully maintained our entire fleet on charters during the quarter including two charter renewals, enabling us to achieve utilization of 99.2% and EBITDA of $26.9 million. With contracted revenue for our 17 vessels of $1.1 billion and an average remaining charter term of 7.6 years, we are optimistic about the outlook for our business."

Mr. Webber continued, "We repaid $23 million of debt during the third quarter, further strengthening our balance sheet. Net bank debt at September 30, 2012 was $407.4 million and trailing 12 months Adjusted EBITDA was $105.4 million giving a net bank debt to Adjusted EBITDA ratio of 3.9. Due to continued pressure on asset values, we proactively approached our bank group to secure a waiver from our upcoming loan-to-value test due November 30, 2012. Our stable business model has enabled us to agree with our lenders to suspend this requirement for a further two years. With the new waiver in place, we have no exposure to the volatility of asset values and will continue to deploy our strong cash flow to aggressively repay debt. Importantly, the Leverage Ratio has no direct impact on our ability to generate stable revenue and predictable cash flows."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

	Three months ended September 30, 2012	Three months ended September 30, 2011	**Nine months ended September 30, 2012**	Nine months ended September 30, 2011
Revenue	**39,454**	38,676	**117,037**	116,554
Operating Income	**16,761**	15,046	**48,583**	33,424
Net Income (Loss)	**8,343**	(935)	**23,807**	(1,789)
Adjusted EBITDA (1)	**26,905**	25,163	**78,860**	77,124
Normalized Net Income (1)	**6,851**	5,155	**18,732**	16,786

(1) Adjusted EBITDA and Normalized net income are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and are considered by Global Ship Lease to be useful measures of its performance. Reconciliations of such non-GAAP measures to the interim unaudited financial information are provided in this Earnings Release.

Revenue and Utilization

The 17 vessel fleet generated revenue from fixed rate long-term time charters of $39.5 million in the three months ended September 30, 2012, up $0.8 million on revenue of $38.7 million for the comparative period in 2011 mainly due to improved utilization from 47 days less offhire from fewer drydockings. During the three months ended September 30, 2012, there were 1,564 ownership days, the same as the comparable period in 2011. The 12 days offhire in the three months ended September 30, 2012, all for planned drydockings, gives a utilization of 99.2%. In the comparable period of 2011, there were 59 days offhire, including 58 for planned drydockings and one unplanned day offhire, for utilization of 96.2%.

For the nine months ended September 30, 2012, revenue was $117.0 million, up $0.4 million on revenue of $116.6 million in the comparative period, mainly due to 12 fewer days offhire and 17 additional ownership days in 2012 due to the leap year.

The table below shows fleet utilization for the three and nine months ended September 30, 2012 and 2011 and for the years ended December 31, 2011, 2010 and 2009.

	Three months ended		Nine months ended				
Days	Sept 30, 2012	Sept 30, 2011	Sept 30, 2012	Sept 30, 2011	Dec 31, 2011	Dec 31, 2010	Dec 31, 2009
Ownership days	1,564	1,564	4,658	4,641	6,205	6,205	5,968
Planned offhire - scheduled drydock	(12)	(58)	(72)	(88)	(95)	--	(32)
Unplanned offhire	--	(1)	(10)	(6)	(11)	(3)	(42)
Operating days	1,552	1,505	4,576	4,547	6,099	6,202	5,894
Utilization	99.2%	96.2%	98.2%	98.0%	98.3%	99.9%	98.8%

The drydocking of five vessels had been completed in the nine months ended September 30, 2012. One further drydocking is anticipated before December 31, 2012 for a total of six vessels to be drydocked in the year. Three drydockings are scheduled for 2013, two in 2014, and none in 2015.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $11.2 million for the three months ended September 30, 2012. The average cost per ownership day was $7,159 down $249 or 3.4% on $7,408 for the rolling four quarters ended June 30, 2012. Increased spend on repairs, maintenance and supplies have been offset by a benefit from exchange rate movements on costs denominated in euros, fewer insurance deductibles and lower expenses from fewer drydockings. The third quarter 2012 average daily cost was down $354 or 4.7% from the average daily cost of $7,513 for the third quarter 2011 for broadly the same reasons.

For the nine months ended September 30, 2012 vessel operating expenses were essentially flat at $34.1 million or an average of $7,315 per day compared to $34.0 million in the comparative period or $7,337 per day. Increased spend on repairs, maintenance and supplies has been offset by benefits from exchange rate movements on costs denominated in euros, fewer insurance deductibles and less expense for bunkers consumed during unplanned offhire.

Depreciation

Depreciation for the three months ended September 30, 2012 was $10.1 million, the same as in the comparative period of 2011.

Depreciation for the nine months ended September 30, 2012 was $30.3 million, compared to $30.1 million in the comparative period of 2011.

General and Administrative Costs

General and administrative costs were $1.4 million in the three months ended September 30, 2012, compared to $1.8 million in the third quarter of 2011 with the reduction due mainly to lower legal and professional fees.

For the nine months ended September 30, 2012, general and administrative costs were $4.3 million compared to $5.6 million for 2011. The reduction is due mainly to lower legal and professional fees.

Impairment Charge — year to date Third Quarter 2011

Purchase options in the Company's favor to purchase two 4,250 TEU newbuildings at the end of 2011 were to be declared by September 16, 2011 for one vessel and October 4, 2011 for the other. The purchase of these vessels was always predicated on achieving a strong return for shareholders by acquiring the vessels, which had time charters attached, at an attractive price and securing financing on favorable terms. As obtaining committed finance on acceptable terms was going to be challenging, the Company wrote off the intangible assets relating to these purchase options in the Third Quarter 2011 and allowed the purchase options to expire.

Other Operating Income

Other operating income in the three months ended September 30, 2012 was $68,000 compared to $38,000 in the third quarter of 2011.

For the nine months ended September 30, 2012, other operating income was $0.2 million, the same as for the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was $26.9 million for the three months ended September 30, 2012 up $1.7 million from $25.2 million for the three months ended September 30, 2011.

Adjusted EBITDA for the nine months ended September 30, 2012 was $78.9 million, up $1.8 million from $77.1 million in 2011.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives, for the three months ended September 30, 2012 was $5.3 million. The Company's borrowings under its credit facility averaged $459.8 million during the three months ended September 30, 2012. On July 23, 2012 in connection with the agreement regarding the new charters for the Ville d'Orion and Ville d'Aquarius, $3.0 million preferred shares were redeemed from the proceeds of warrants exercised in 2008 and which could only be used for this purpose. The average amount of preferred shares outstanding throughout the three months ended September 30, 2012 was $45.7 million, giving total average borrowings through the period of $505.5 million. Interest expense of $4.8 million in the comparative period in 2011 was lower due to a lower applicable margin, on average borrowings, including the preferred shares, of $557.0 million.

For the nine months ended September 30, 2012, interest expense, excluding the effect of interest rate derivatives, was $16.1 million. The Company's borrowings under its credit facility and including the preferred shares, averaged $518.9 million during the nine months ended September 30, 2012. Interest expense for the nine months ended September 30, 2011 was $15.4 million based on average borrowings in that period, including the preferred shares, of $568.1 million.

Interest income for the three and nine months ended September 30, 2012 and 2011 was not material.

Change in Fair Value of Financial Instruments

The Company hedges its interest rate exposure by entering into derivatives that swap floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows. As these hedges do not qualify for hedge accounting under US GAAP, the outstanding hedges are marked-to-market at each period end with any change in the fair value being booked to the income and expenditure account. The Company's derivative hedging instruments gave a realized loss of $4.6 million in the three months ended September 30, 2012 for settlements of swaps in the period, as current LIBOR rates are lower than the average fixed rates. Further, there was a $1.5 million unrealized gain for revaluation of the balance sheet position given current LIBOR and movements in the forward curve for interest rates. This compares to a realized loss of $5.0 million for the settlement of swaps and an unrealized mark-to-market loss of $6.1 million in the three months ended September 30, 2011.

For the nine months ended September 30, 2012, the realized loss from hedges was $13.7 million and the unrealized gain was $5.1 million. This compares to a realized loss of $14.6 million and an unrealized loss of $4.9 million in the nine months ended September 30, 2011.

At September 30, 2012, interest rate derivatives totaled $580.0 million against floating rate debt of $481.7 million, including the preferred shares. As a consequence, the Company is over hedged which arises from accelerated amortization of the credit facility debt and not incurring additional floating rate debt anticipated to be drawn in connection with the originally intended purchases of the two 4,250 TEU vessels at the end of 2011. $253.0 million of the interest rate derivatives at a fixed rate of 3.40% expire mid March 2013. The total mark-to-market unrealized loss recognized as a liability on the balance sheet at September 30, 2012 was $40.2 million.

Unrealized mark-to-market adjustments have no impact on operating performance or cash generation in the period reported.

Taxation

Taxation for the three months ended September 30, 2012 was $22,000, compared to $191,000 in the third quarter of 2011.

Taxation for the nine months ended September 30, 2012 was $0.1 million, compared to $0.3 million in 2011.

Net Income/Loss

Net income for the three months ended September 30, 2012 was $8.3 million after $1.5 million non-cash interest rate derivative mark-to-market gain. For the three months ended September 30, 2011 net loss was $0.9 million, after $6.1 million non-cash interest rate derivative mark-to-market loss. Normalized net income was $6.9 million for the three months ended September 30, 2012 and $5.2 million for the three months ended September 30, 2011, which excludes the effect of the non-cash interest rate derivative mark-to-market gains or losses.

Net income was $23.8 million for the nine months ended September 30, 2012 after a $5.1 million non-cash interest rate derivative mark-to-market gain. For the nine months ended September 30, 2011, net loss was $1.8 million after the $13.6 million non-cash impairment charge and a $4.9 million non-cash interest rate derivative mark-to-market loss. Normalized net income was $18.7 million for the nine months ended September 30, 2012 and $16.8 million for the nine months ended September 30, 2011.

Credit Facility

While the Company's stable business model largely insulates it from volatility in the freight and charter markets, a covenant in the credit facility with respect to the Leverage Ratio, which is the ratio of outstanding drawings under the credit facility and the aggregate charter free market value of the secured vessels, causes the Company to be sensitive to significant declines in vessel values. Under the terms of the credit facility, the Leverage Ratio cannot exceed 75%. The Leverage Ratio has little impact on the Company's operating performance as cash flows are largely predictable under its business model.

In November 2011 the Company agreed with its lenders to waive the requirement to perform the Leverage Ratio test until November 30, 2012.

Due to the continuing excess supply of capacity, there has been a decline in charter free market values of containerships in recent months. The Company anticipated that the Leverage Ratio as at November 30, 2012 would, if tested, exceed 75%. Therefore, it has agreed with its lenders a further waiver for two years of the requirement to perform the Leverage Ratio test. The next scheduled test will be as at December 1, 2014. During the waiver period, the fixed interest margin to be paid over LIBOR will be 3.75%, prepayments will be based on cash flow, subject to a minimum of $40 million on a rolling 12 month basis, rather than a fixed amount, and dividends on common shares cannot be paid. It has also been agreed that all secured vessels will be included in the Leverage Ratio test, whether they are subject to a charter or not.

In the three months ended September 30, 2012 a total of $23.0 million of debt was prepaid leaving a balance outstanding of $436.8 million. In the nine months ended September 30, 2012 a total of $46.9 million of debt was prepaid.

Preferred Shares

In connection with the agreement with CMA CGM in July 2012, granting the Company the right but not the obligation to enter new charters of Ville d'Orion and Ville d'Aquarius on the expiry of the then current charters, the Company redeemed $3.0 million of preferred shares held by CMA CGM, out of restricted class derived from the exercise of warrants in 2008 and for which the sole use is the redemption of these preferred shares. The remaining balance outstanding of preferred shares is $45.0 million.

Dividend

Under the terms of the waivers of the requirement to perform the Leverage Ratio test, Global Ship Lease is not currently able to pay a dividend on common shares.

Fleet

The following table provides information, as at September 30, 2012, about the fleet of 17 vessels chartered to CMA CGM.

Vessel Name	Capacity in TEUs (1)	Year Built	Purchase by GSL	Remaining Charter Term(2) (years)	Earliest Charter Expiry Date	Daily Charter Rate $
Ville d'Orion	4,113	1997	Dec 2007	0.6	May 1, 2013	9,962
Ville d'Aquarius	4,113	1996	Dec 2007	0.6	May 1, 2013	9,962
CMA CGM Matisse	2,262	1999	Dec 2007	4.2	Sept 21, 2016	18,465
CMA CGM Utrillo	2,262	1999	Dec 2007	4.2	Sept 11, 2016	18,465
Delmas Keta	2,207	2003	Dec 2007	5.2	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	5.2	Sept 11, 2017	18,465
Kumasi	2,207	2002	Dec 2007	5.2	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	Dec 2007	5.2	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	Dec 2007	4.2	Sept 20, 2016	18,465
CMA CGM Manet	2,272	2001	Dec 2007	4.2	Sept 7, 2016	18,465
CMA CGM Alcazar	5,089	2007	Jan 2008	8.2	Oct 18, 2020	33,750
CMA CGM Chateau d'If	5,089	2007	Jan 2008	8.2	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	13.2	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	10.2	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	10.2	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	10.2	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2011	Aug 2009	8.9	May 28, 2021	34,000

(1) Twenty-foot Equivalent Units.

(2) As at September 30, 2012. Plus or minus 90 days (22 days for Ville d'Orion & Ville d'Aquarius) at charterer's option.

New charters have come into effect for Ville d'Aquarius and Ville d'Orion. They expire May 23, 2013 plus or minus 22 days at charterer's option and are at a rate of $9,962 per vessel per day.

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended September 30, 2012 today, Wednesday, November 14, 2012 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (866) 682-8490 or (631) 621-5256; Passcode: 38751544

Please dial in at least 10 minutes prior to 10:30 a.m. Eastern Time to ensure a prompt start to the call.

(2) Live Internet webcast and slide presentation: http://www.globalshiplease.com

If you are unable to participate at this time, a replay of the call will be available through Wednesday, November 28, 2012 at (866) 247-4222 or (631) 510-7499. Enter the code 38751544 to access the audio replay. The webcast will also be archived on the Company's website: http://www.globalshiplease.com.

Annual Report on Form 20F

Global Ship Lease, Inc. has filed its Annual Report for 2011 with the Securities and Exchange Commission. A copy of the report can be found under the Investor Relations section (Annual Reports) of the Company's website at http://www.globalshiplease.com. Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplease.com or by writing to Global Ship Lease, Inc, care of Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS or by telephoning +44 (0) 207 869 8806.

About Global Ship Lease

Global Ship Lease is a containership charter owner. Incorporated in the Marshall Islands, Global Ship Lease commenced operations in December 2007 with a business of owning and chartering out containerships under long-term, fixed rate charters to top tier container liner companies.

Global Ship Lease owns 17 vessels with a total capacity of 66,349 TEU with an average age, weighted by TEU capacity, at September 30, 2012 of 8.6 years. All of the current vessels are fixed on charters to CMA CGM with an average remaining term of 6.4 years, or 7.6 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted EBITDA

Adjusted EBITDA represents Net income (loss) before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation, amortization and impairment charges. Adjusted EBITDA is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not defined in US GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Sept 30, 2012	Three months ended Sept 30, 2011	Nine months ended Sept 30, 2012	Nine months ended Sept 30, 2011
Net income (loss)	8,343	(935)	23,807	(1,789)
Adjust: Depreciation	10,144	10,117	30,277	30,055
Impairment charge	--	--	--	13,645
Interest income	(22)	(13)	(66)	(36)
Interest expense	5,272	4,760	16,087	15,428
Realized loss on interest rate derivatives	4,638	4,953	13,740	14,605
Unrealized (gain) loss on interest rate derivatives	(1,492)	6,090	(5,075)	4,930
Income tax	22	191	90	286
Adjusted EBITDA	26,905	25,163	78,860	77,124

B. Normalized net income

Normalized net income represents Net income (loss) adjusted for the unrealized gain (loss) on derivatives, the accelerated write off of a portion of deferred financing costs and impairment charges. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items such as change in fair value of derivatives to eliminate the effect of non cash non-operating items that do not affect operating performance or cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME -- UNAUDITED

(thousands of U.S. dollars)

	Three months ended Sept 30, 2012	Three months ended Sept 30, 2011	Nine months ended Sept 30, 2012	Nine months ended Sept 30, 2011
Net income (loss)	8,343	(935)	23,807	(1,789)
Adjust: Change in value of derivatives	(1,492)	6,090	(5,075)	4,930
Impairment charge	--	--	--	13,645
Normalized net income	6,851	5,155	18,732	16,786

Safe Harbor Statement

This communication contains forward-looking statements. Forward-looking statements provide Global Ship Lease's current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease cannot assure you that these projections included in these forward-looking statements will come to pass. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

The risks and uncertainties include, but are not limited to:

- future operating or financial results;
- expectations regarding the future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of CMA CGM, our sole charterer and only source of operating revenue, and its ability to pay charterhire in accordance with the charters;
- Global Ship Lease's financial condition and liquidity, including its ability to obtain additional waivers which might be necessary under the existing credit facility or obtain additional financing to fund capital expenditures, vessel acquisitions and other general corporate purposes;
- Global Ship Lease's ability to meet its financial covenants and repay its credit facility;
- Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the availability of cash and the impact of constraints under its credit facility;
- future acquisitions, business strategy and expected capital spending;
- operating expenses, availability of crew, number of off-hire days, drydocking and survey requirements and insurance costs;
- general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;
- assumptions regarding interest rates and inflation;
- changes in the rate of growth of global and various regional economies;
- risks incidental to vessel operation, including piracy, discharge of pollutants and vessel accidents and damage including total or constructive total loss;
- estimated future capital expenditures needed to preserve its capital base;
- Global Ship Lease's expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of its ships;
- Global Ship Lease's continued ability to enter into or renew long-term, fixed-rate charters;
- the continued performance of existing long-term, fixed-rate time charters;
- Global Ship Lease's ability to capitalize on its management's and board of directors' relationships and reputations in the containership industry to its advantage;

- changes in governmental and classification societies' rules and regulations or actions taken by regulatory authorities;
- expectations about the availability of insurance on commercially reasonable terms;
- unanticipated changes in laws and regulations including taxation;
- potential liability from future litigation.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Global Ship Lease's actual results could differ materially from those anticipated in forward-looking statements for many reasons specifically as described in Global Ship Lease's filings with the SEC. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this communication. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this communication or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks Global Ship Lease describes in the reports it will file from time to time with the SEC after the date of this communication.

Global Ship Lease, Inc.

Interim Unaudited ConsolidatedStatements of Income

(Expressed in thousands of U.S. dollars except share data)

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
Operating Revenues				
Time charter revenue	$39,454	$38,676	$117,037	$116,554
Operating Expenses				
Vessel operating expenses	11,196	11,750	34,073	34,047
Depreciation	10,144	10,117	30,277	30,055
General and administrative	1,421	1,801	4,330	5,619
Impairment charge	--	--	--	13,645
Other operating (income)	(68)	(38)	(226)	(236)
Total operating expenses	22,693	23,630	68,454	83,130
Operating Income	16,761	15,046	48,583	33,424
Non Operating Income (Expense)				
Interest income	22	13	66	36
Interest expense	(5,272)	(4,760)	(16,087)	(15,428)
Realized loss on interest rate derivatives	(4,638)	(4,953)	(13,740)	(14,605)
Unrealized gain (loss) on interest rate derivatives	1,492	(6,090)	5,075	(4,930)
Income (Loss) before Income Taxes	8,365	(744)	23,897	(1,503)
Income taxes	(22)	(191)	(90)	(286)
Net Income (Loss)	$ 8,343	$ (935)	$ 23,807	$ (1,789)

Earnings per Share

Weighted average number of Class A common shares outstanding				
Basic	47,481,864	47,211,396	47,481,733	47,195,676
Diluted	47,636,298	47,211,396	47,600,196	47,195,676
Net income (loss) in $ per Class A common share				
Basic	$ 0.18	$ (0.02)	$ 0.50	$ (0.04)
Diluted	$ 0.18	$ (0.02)	$ 0.50	$ (0.04)
Weighted average number of Class B common shares outstanding				
Basic and diluted				
	7,405,956	7,405,956	7,405,956	7,405,956
Net income in $ per Class B common share				
Basic and diluted	$ nil	$ nil	$ nil	$ nil

Global Ship Lease, Inc.

Interim Unaudited ConsolidatedBalance Sheets

(Expressed in thousands of U.S. dollars)

	September 30, 2012	December 31, 2011
Assets		
Cash and cash equivalents	$29,318	$25,814
Restricted cash	3	3,027
Accounts receivable	7,601	13,911
Prepaid expenses	734	726
Other receivables	754	839
Deferred tax	--	19
Deferred financing costs	1,140	1,168
Total current assets	39,550	45,504
Vessels in operation	865,441	890,249
Other fixed assets	35	54
Intangible assets — other	78	92
Deferred tax	--	10
Deferred financing costs	2,741	3,626
Total non-current assets	868,295	894,031
Total Assets	$907,845	$939,535

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	$48,315	$46,000
Intangible liability — charter agreements	2,119	2,119
Accounts payable	1,177	1,286
Accrued expenses	5,720	4,953
Derivative instruments	14,575	15,920
Total current liabilities	71,906	70,278
Long term debt	388,441	437,612
Preferred shares	44,976	48,000
Intangible liability — charter agreements	18,462	20,050
Deferred tax liability	9	--
Derivative instruments	25,666	29,395
Total long-term liabilities	477,554	535,057
Total Liabilities	$549,460	$605,335
Commitments and contingencies	--	--
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,481,864 shares issued and outstanding (2011 — 47,463,978)	$475	$475
Class B Common stock — authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding (2011 — 7,405,956)	74	74
Additional paid in capital	352,234	351,856
Retained earnings (accumulated deficit)	5,602	(18,205)
Total Stockholders' Equity	358,385	334,200
Total Liabilities and Stockholders' Equity	$907,845	$939,535

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
Cash Flows from Operating Activities				
Net income (loss)	$ 8,343	$ (935)	$ 23,807	$ (1,789)

Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	10,144	10,117	30,277	30,055
Impairment charge	--	--	--	13,645
Amortization of deferred financing costs	300	257	913	788
Change in fair value of certain derivative instruments	(1,492)	6,090	(5,075)	4,930
Amortization of intangible liability	(530)	(530)	(1,589)	(1,589)
Settlements of hedges which do not qualify for hedge accounting	4,638	4,953	13,740	14,605
Share based compensation	131	145	378	456
Decrease in accounts receivable and other assets	5,977	754	6,472	413
(Decrease) increase in accounts payable and other liabilities	(2,226)	4,140	(105)	2,301
Unrealized foreign exchange loss (gain)	2	(18)	12	(7)
Net Cash Provided by Operating Activities	25,287	24,973	68,830	63,808
Cash Flows from Investing Activities				
Settlements of hedges which do not qualify for hedge accounting	(4,638)	(4,953)	(13,740)	(14,605)
Cash paid for other fixed assets	--	(57)	--	(57)
Cash paid to acquire intangible assets	--	(5)	--	(97)
Costs relating to drydockings	(792)	(3,715)	(4,730)	(5,039)
Net Cash Used in Investing Activities	(5,430)	(8,730)	(18,470)	(19,798)
Cash Flows from Financing Activities				
Repayment of debt	(23,000)	(10,000)	(46,856)	(33,816)
Variation in restricted cash	3,024	--	3,024	--
Repayment of preferred shares	(3,024)	--	(3,024)	--
Net Cash Used in Financing Activities	(23,000)	(10,000)	(46,856)	(33,816)
Net (Decrease) Increase in Cash and Cash Equivalents	(3,143)	6,243	3,504	10,194
Cash and Cash Equivalents at start of Period	32,461	32,311	25,814	28,360
Cash and Cash Equivalents at end of Period	$29,318	$38,554	$29,318	$38,554
Supplemental information				
Total interest paid	$5,013	$2,978	$15,414	$14,844
Income tax paid	$19	$44	$45	$131

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