



July 31, 2017

Global Ship Lease Reports Results for the Second Quarter of 2017

LONDON, July 31, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and six months ended June 30, 2017.

Second Quarter and Year To Date Highlights

- Reported operating revenues of \$40.3 million for the second quarter 2017. Revenue for the six months ended June 30, 2017 was \$79.9 million

- Reported net income available to common shareholders of \$6.8 million for the second quarter 2017. For the six months ended June 30, 2017, net income was \$13.6 million

- Generated \$28.1 million of Adjusted EBITDA⁽¹⁾ for the second quarter 2017. Adjusted EBITDA for the six months ended June 30, 2017 was \$56.1 million

- Normalized net income⁽¹⁾ was \$7.3 million for second quarter 2017. Normalized net income was \$14.1 million for the six months ended June 30, 2017

- Purchased and cancelled on April 21, 2017, \$19.5 million principal amount 10.0% First Priority Secured Notes due 2019. Net debt to last 12 months Adjusted EBITDA was 3.1 times at June 30, 2017, down from 3.3 times at December 31, 2016

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During the second quarter of 2017, we remained focused on generating strong cashflows from stable, fixed-rate contracts with industry-leading counterparties. The value and consistency of this core strategy was once again evident in our financial results for the quarter."

Mr. Webber added, "Looking forward, we expect continued firming in the charter market over time, driven by discipline in the placement of new orders, an orderbook heavily skewed towards the largest vessels, elevated scrapping consisting almost entirely of the mid-sized and smaller vessel classes where we focus, and better than expected demand growth. We remain encouraged by the upward movement of the spot charter market throughout 2017 and believe that this should benefit those of our vessels due to become open later this year and early next. By continuing to maximize vessel utilization with top-tier counterparties, actively manage costs, and opportunistically pursue further deleveraging of our stable balance sheet, we believe that Global Ship Lease is well positioned to create long-term value for our shareholders amidst an improving market environment."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Revenue	40,259	41,333	79,901	83,943
Operating Income	18,531	17,921	36,965	36,306
Net Income for Common Shareholders	6,824	6,043	13,618	10,600
Adjusted EBITDA (1)	28,072	28,798	56,106	58,118
Normalized Net Income (1)	7,344	5,632	14,138	11,061

(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 18-vessel fleet generated revenue from fixed-rate, mainly long-term time, charters of \$40.3 million in the three months ended June 30, 2017, down \$1.0 million (or 2.6%) on revenue of \$41.3 million for the comparative period in 2016, due mainly to reduced revenue as a consequence of the amendments to the charters of Marie Delmas and Kumasi effective August 1, 2016, offset by an overall reduction in offhire from a total of 53 days in the three months ended June 30, 2016 to 42 days in the 2017 period. There were 1,638 ownership days in the quarter, the same as in the comparative period in 2016. The 42 days of offhire in the three months ended June 30, 2017 were attributable to 15 days for scheduled dry-dockings and 27 days unplanned offhire, primarily related to a vessel grounding in late March, giving an overall utilization of 97.4%. The affected vessel underwent repairs and was successfully returned to service. In the comparative period of 2016, there were 51 days of planned offhire for scheduled dry-dockings and two days of unplanned offhire, giving a utilization of 96.8%.

For the six months ended June 30, 2017, revenue was \$79.9 million, down \$4.0 million (or 4.8%) on revenue of \$83.9 million in the comparative period, mainly due to the amendments to the charters of Marie Delmas and Kumasi effective August 1, 2016 and an increase in offhire to a total of 92 days in the six months ended June 30, 2017 from 53 in the comparative period.

The table below shows fleet utilization for the three and six months ended June 30, 2017 and 2016, and for the years ended December 31, 2016, 2015, 2014 and 2013.

Days	Three months ended		Six months ended		Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016				
Ownership days	1,638	1,638	3,258	3,276	6,588	6,893	6,270	6,205
Planned offhire - scheduled dry-dock	(15)	(51)	(62)	(51)	(100)	(9)	(48)	(21)
Unplanned offhire	(27)	(2)	(30)	(2)	(3)	(7)	(12)	(7)
Idle time	0	0	0	0	0	(13)	(64)	0
Operating days	1,596	1,585	3,166	3,223	6,485	6,864	6,146	6,177
Utilization	97.4%	96.8%	97.2%	98.4%	98.4%	99.6%	98.0%	99.5%

In the three months ended June 30, 2017, we completed one regulatory dry-docking. There have been a total of four regulatory dry-dockings year to date. One further regulatory dry-docking is scheduled in 2017. Two dry-dockings were completed in the three months ended June 30, 2016, and one further dry-docking was substantially completed. There were a total of six dry-dockings in 2016.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, as well as bunker fuel when a vessel is offhire or without a charter, were \$10.9 million for the three months ended June 30, 2017. The average cost per ownership day in the quarter was \$6,635, compared to \$6,909 for the comparative period, down \$274 or 4.0%. The reductions occurred across several cost categories, most prominently from lower consumption of lubricating oil, reduced insurance costs on renewals and lower expenditure on repairs and maintenance.

For the six months ended June 30, 2017, vessel operating expenses were \$21.3 million, or an average of \$6,531 per day, compared to \$22.7 million in the comparative period, or \$6,935 per day.

Depreciation

Depreciation for the three months ended June 30, 2017 was \$9.5 million, compared to \$10.9 million in the second quarter 2016, with the reduction being due to the effect of lower book values for a number of vessels following impairment write downs taken in the third and fourth quarters 2016.

Depreciation for the six months ended June 30, 2017 was \$19.1 million, compared to \$21.8 million in the comparative period, with the reduction being due to the reason noted above.

General and Administrative Costs

General and administrative costs were \$1.3 million in the three months ended June 30, 2017, the same as in the second quarter of 2016.

For the six months ended June 30, 2017, general and administrative costs were \$2.6 million, compared to \$3.3 million in the comparative period in 2016, which includes higher legal and professional fees in the three months ended March 31, 2016.

Other Operating Income

Other operating income in the three months ended June 30, 2017 was \$6,000, compared to \$63,000 in the second quarter of 2016.

For the six months ended June 30, 2017, other operating income was \$48,000, compared to \$144,000 in the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$28.1 million for the three months ended June 30, 2017, down from \$28.8 million for the three months ended June 30, 2016.

Adjusted EBITDA for the six months ended June 30, 2017 was \$56.1 million, compared to \$58.1 million for the comparative period.

Interest Expense

Debt at June 30, 2017 comprised amounts outstanding on our Notes, the revolving credit facility and the secured term loan.

Interest expense for the three months ended June 30, 2017, was \$11.0 million, compared to \$11.1 million for the three months ended June 30, 2016. The reduction of \$1.0 million interest paid on our 10.0% Notes on lower amounts outstanding was offset by \$0.5 million charges, including premium paid, associated with the excess cashflow offer which retired \$19.5 million principal amount of our 10% Notes on April 21, 2017, whereas second quarter 2016 included a \$0.5 million gain realized in May 2016 on the purchase in the open market of \$4.2 million principal amount of the Notes.

For the six months ended June 30, 2017, interest expense was \$22.0 million, compared to \$24.2 million for the six months ended June 30, 2016. The reduction is mainly due to lower interest on the lower amount outstanding of our 10% Notes.

Interest income for the three months ended June 30, 2017 was \$0.1 million, compared to \$38,000 in the comparative quarter in 2016.

Interest income for the six months ended June 30, 2017 was \$0.2 million, compared to \$0.1 million in the comparative period in 2016.

Taxation

Taxation for the three months ended June 30, 2017 was \$6,000, compared to \$9,000 in the second quarter of 2016.

Taxation for the six months ended June 30, 2017 was \$16,000, compared to \$15,000 for the comparative period in 2016.

Earnings Allocated to Preferred Shares

The Series B preferred shares, issued on August 20, 2014, carry a coupon of 8.75%, the cost of which for the three months ended June 30, 2017 was \$0.8 million, the same as in the comparative period. The cost was \$1.5 million in the six months ended June 30, 2017, again the same as in the comparative period.

Net Income Available to Common Shareholders

Net income available to common shareholders for the three months ended June 30, 2017 was \$6.8 million, compared to

\$6.0 million in the second quarter 2016.

Normalized net income, which excludes the premium paid on the purchase of our 10% Notes in April 2017 under the excess cashflow offer and associated charges, was \$7.3 million for the three months ended June 30, 2017, compared to \$5.6 million in the second quarter of 2016.

Net income available to common shareholders was \$13.6 million for the six months ended June 30, 2017, compared to \$10.6 million in the comparative period. Normalized net income for the six months ended June 30, 2017, was \$14.1 million. Normalized net income for the six months ended June 30, 2016 which excludes the gain on the purchase of 10% Notes in May 2016 and the premium associated with the tender offer for 10% Notes completed in March 2016, and associated charges, was \$11.1 million.

Fleet

The following table provides information about the on-the-water fleet of 18 vessels as at June 30, 2017. 15 vessels are chartered to CMA CGM, and three are chartered to OOCL.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Purchase by GSL	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
CMA CGM Matisse	2,262	1999	Dec 2007	2.50	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	2.50	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	0.50	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	0.50	Sept 11, 2017	18,465
Kumasi	2,207	2002	Dec 2007	1.50 - 3.50 ⁽³⁾	Nov 16, 2018	13,000 ⁽³⁾
Marie Delmas	2,207	2002	Dec 2007	1.50 - 3.50 ⁽³⁾	Nov 16, 2018	13,000 ⁽³⁾
CMA CGM La Tour	2,272	2001	Dec 2007	2.50	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	2.50	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	3.50	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	3.50	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	8.50	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	5.50	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	5.50	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	5.50	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	4.25	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	0.50	Oct 28, 2017	34,500
OOCL Qingdao	8,063	2004	Mar 2015	0.75	Mar 11, 2018	34,500
OOCL Ningbo	8,063	2004	Sep 2015	1.25	Sep 17, 2018	34,500

(1) *Twenty-foot Equivalent Units.*

(2) *As at June 30, 2017. Plus or minus 90 days, other than (i) OOCL Tianjin which is between October 28, 2017 and January 28, 2018, (ii) OOCL Qingdao which is between March 11, 2018 and June 11, 2018, and (iii) OOCL Ningbo which is between September 17, 2018 and December 17, 2018, all at charterer's option.*

(3) *The charters for Kumasi and Marie Delmas were amended in July 2016. The charter rate is \$13,000 per day until September 14, 2017 for Marie Delmas and September 21, 2017 for Kumasi. Thereafter, the daily rate is \$9,800. The earliest possible re-delivery date is shown in the table, taking account of the Company exercising its option to extend the charters through December 31, 2018 plus or minus 45 days. The Company has two further consecutive options to extend the charters, at \$9,800 per day, which, if exercised, would extend the earliest re-delivery date to October 2, 2020.*

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended June 30, 2017 today, Monday July 31, 2017 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 56081709

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.globalshiplinease.com>

If you are unable to participate at this time, a replay of the call will be available through Wednesday, August 16, 2017 at (855) 859-2056 or (404) 537-3406. Enter the code 56081709 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplinease.com>.

Annual Report on Form 20F

Global Ship Lease, Inc has filed its Annual Report for 2016 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.globalshiplinease.com>. Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplinease.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 mainly long-term, fixed-rate charters to top tier container liner companies.

Global Ship Lease owns 18 vessels with a total capacity of 82,312 TEU and an average age, weighted by TEU capacity, at June 30, 2017 of 12.5 years. All 18 vessels are currently fixed on time charters, 15 of which are with CMA CGM. The average remaining term of the charters at June 30, 2017 is 3.1 years or 3.5 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted EBITDA

Adjusted EBITDA represents net income before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation and amortization. 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 or any other financial metric required by such accounting principles.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Net income available to Common Shareholders	6,824	6,043	13,618	10,600
Adjust:				
Depreciation	9,541	10,877	19,141	21,812
Interest income	(90)	(38)	(183)	(82)
Interest expense	11,026	11,142	21,983	24,242
Income tax	6	9	16	15
Earnings allocated to preferred shares	765	765	1,531	1,531

Adjusted EBITDA

28,072 28,798 56,106 58,118

B. Normalized net income

Normalized net income represents net income adjusted for the premium paid on the tender offer together with the related accelerated amortization of deferred financing costs and original issue discount. 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 that do not affect operating performance or operating cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to net income or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME - UNAUDITED
(thousands of U.S. dollars)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Net income available to Common Shareholders	6,824	6,043	13,618	10,600
Adjust: Gain on purchase of Notes	---	(452)	---	(452)
Premium paid on tender offer for Notes	390	---	390	533
Accelerated write off of deferred financing charges related to purchase and tender offer	61	10	61	90
Accelerated write off of original issue discount related to purchase and tender offer	69	31	69	290
Normalized net income	<u>7,344</u>	<u>5,632</u>	<u>14,138</u>	<u>11,061</u>

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 strength of future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of CMA CGM (the company's principal charterer and main source of operating revenue) and other charterers and their ability to pay charterhire in accordance with the charters;
- the overall health and condition of the U.S. and global financial markets;
- Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes and its ability to meet its financial covenants and repay its borrowings;
- 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 first priority secured notes;

- future acquisitions, business strategy and expected capital spending;
- operating expenses, availability of key employees, crew, number of off-hire days, dry-docking and survey requirements, costs of regulatory compliance, insurance costs and general and administrative costs;
- general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;
- assumptions regarding interest rates and inflation;
- change 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 Global Ship Lease's capital base;
- Global Ship Lease's expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or the useful lives of its vessels;
- Global Ship Lease's continued ability to enter into or renew charters including the re-chartering of vessels on the expiry of existing charters, or to secure profitable employment for its vessels in the spot market;
- the continued performance of existing charters;
- Global Ship Lease's ability to capitalize on management's and 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; and
- 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 Consolidated Statements of Income

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

	Three months ended June 30, 2017		Six months ended June 30, 2016	
	2017	2016	2017	2016
Operating Revenues				
Time charter revenue	\$ 9,341	\$ 9,341	\$ 18,578	\$ 18,678
Time charter revenue — related party	<u>30,918</u>	<u>31,992</u>	<u>61,323</u>	<u>65,265</u>
	<u>40,259</u>	<u>41,333</u>	<u>79,901</u>	<u>83,943</u>
Operating Expenses				
Vessel operating expenses	10,468	10,917	20,478	21,919
Vessel operating expenses — related party	400	400	800	800
Depreciation	9,541	10,877	19,141	21,812
General and administrative	1,325	1,281	2,565	3,250
Other operating income	<u>(6)</u>	<u>(63)</u>	<u>(48)</u>	<u>(144)</u>
Total operating expenses	<u>21,728</u>	<u>23,412</u>	<u>42,936</u>	<u>47,637</u>
Operating Income	18,531	17,921	36,965	36,306

Non Operating Income (Expense)

Interest income	90	38	183	82
Interest expense	<u>(11,026)</u>	<u>(11,142)</u>	<u>(21,983)</u>	<u>(24,242)</u>
Income before Income Taxes	7,595	6,817	15,165	12,146
Income taxes	<u>(6)</u>	<u>(9)</u>	<u>(16)</u>	<u>(15)</u>
Net Income	\$ 7,589	\$ 6,808	\$ 15,149	\$ 12,131
Earnings allocated to Series B Preferred Shares	<u>(765)</u>	<u>(765)</u>	<u>(1,531)</u>	<u>(1,531)</u>
Net Income available to Common Shareholders	<u>\$ 6,824</u>	<u>\$ 6,043</u>	<u>\$ 13,618</u>	<u>\$ 10,600</u>

Earnings per Share

Weighted average number of Class A common shares outstanding

Basic (including RSUs without service conditions)	47,975,609	47,850,107	47,975,609	47,845,842
Diluted	47,975,609	47,956,959	47,975,609	47,888,279

Net income per Class A common share

Basic (including RSUs without service conditions)	\$ 0.14	\$ 0.13	\$ 0.28	\$ 0.22
Diluted	\$ 0.14	\$ 0.13	\$ 0.28	\$ 0.22

Weighted average number of Class B common shares outstanding

Basic and diluted	7,405,956	7,405,956	7,405,956	7,405,956
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Net income per Class B common share

Basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
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Global Ship Lease, Inc.**Interim Unaudited Consolidated Balance Sheets**

(Expressed in thousands of U.S. dollars)

June 30, 2017 **December 31, 2016**

Assets

Cash and cash equivalents	\$ 59,432	\$ 54,243
Accounts receivable	15	29
Due from related party	862	906
Prepaid expenses	1,098	1,146
Other receivables	182	52
Inventory	<u>674</u>	<u>553</u>
Total current assets	<u>62,263</u>	<u>56,929</u>
Vessels in operation	703,993	719,110
Other fixed assets	13	7
Intangible assets	11	16
Other long term assets	140	195

Total non-current assets	704,157	719,328
Total Assets	\$766,420	\$ 776,257
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long term debt	27,512	31,026
Intangible liability — charter agreements	1,788	1,807
Deferred revenue	2,698	1,940
Accounts payable	791	963
Due to related party	1,817	1,315
Accrued expenses	11,034	11,664
Total current liabilities	45,640	48,715
Long term debt	369,355	388,847
Intangible liability — charter agreements	8,897	9,782
Deferred tax liability	17	20
Total long term liabilities	378,269	398,649
Total Liabilities	\$423,909	\$ 447,364
Commitments and contingencies	-	-
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a \$0.01 par value; 47,575,609 shares issued and outstanding (2016 — 47,575,609)	\$ 476	\$ 476
Class B Common stock — authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2016 — 7,405,956)	74	74
Series B Preferred shares — authorized 16,100 shares with \$0.01 par value; 14,000 shares issued and outstanding (2016 — 14,000)	-	-
Additional paid in capital	386,708	386,708
(Accumulated deficit)	(44,747)	(58,365)
Total Stockholders' Equity	342,511	328,893
Total Liabilities and Stockholders' Equity	\$766,420	\$ 776,257

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Net income	\$ 7,589	\$ 6,808	\$ 15,149	\$ 12,131
Adjustments to Reconcile Net income to Net Cash Provided by Operating Activities				
Depreciation	9,541	10,877	19,141	21,812
Amortization of deferred financing costs	885	820	1,775	1,772
Amortization of original issue discount	343	334	625	916
Amortization of intangible liability	(452)	(530)	(904)	(1,059)
Share based compensation	-	82	-	115
Gain on repurchase of secured notes	-	(452)	-	(452)
Decrease (increase) in accounts receivable and other assets	382	151	(199)	(398)
Decrease (increase) in inventory	(73)	40	(121)	74
Increase (decrease) in accounts payable and other liabilities	8,800	8,896	(748)	(1,285)
(Decrease) increase in unearned revenue	330	(104)	758	(208)
Increase in related party balances	580	347	628	1,063
Unrealized foreign exchange (gain) loss	-	(58)	6	(28)
Net Cash Provided by Operating Activities	<u>27,925</u>	<u>27,211</u>	<u>36,110</u>	<u>34,453</u>
Cash Flows from Investing Activities				
Cash paid for vessel improvements	(100)	-	(100)	-
Cash paid in respect of sale of vessels	-	(97)	-	(254)
Cash paid for other assets	(8)	-	(8)	(1)
Cash paid for drydockings	(2,211)	(948)	(3,931)	(948)
Net Cash Used in Investing Activities	<u>(2,319)</u>	<u>(1,045)</u>	<u>(4,039)</u>	<u>(1,203)</u>
Cash Flows from Financing Activities				
Repurchase of secured notes	(19,501)	(3,748)	(19,501)	(30,410)
Proceeds from drawdown of revolving credit facility	-	-	-	-
Deferred financing costs incurred	-	-	-	-
Repayment of credit facilities	(2,925)	(1,925)	(5,850)	(4,650)
Series B Preferred Shares — dividends paid	(765)	(765)	(1,531)	(1,531)
Net Cash Used in Financing Activities	<u>(23,191)</u>	<u>(6,438)</u>	<u>(26,882)</u>	<u>(36,591)</u>
Net Increase (decrease) in Cash and Cash Equivalents	2,415	19,728	5,189	(3,341)
Cash and Cash Equivalents at Start of Period	<u>57,017</u>	<u>30,522</u>	<u>54,243</u>	<u>53,591</u>
Cash and Cash Equivalents at End of Period	<u>\$ 59,432</u>	<u>\$ 50,250</u>	<u>\$ 59,432</u>	<u>\$ 50,250</u>
Supplemental information				
Total interest paid	\$ 746	\$ 725	\$ 19,678	\$ 22,232
Income tax paid	\$ 10	\$ 10	\$ 24	\$ 26

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