



April 30, 2015

## Global Ship Lease Reports Results for the First Quarter of 2015

LONDON, April 30, 2015 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months ended March 31, 2015.

### First Quarter and Year To Date Highlights

- Reported revenue of \$37.7 million for the first quarter 2015
- Reported net income for common shareholders for the first quarter 2015 of \$24,000
- Generated \$23.6 million of Adjusted EBITDA<sup>(1)</sup> for the first quarter 2015
- Purchased OOCL Qingdao, a 2004-built 8,063 TEU containership for \$53.6 million. Immediately upon delivery on March 11, 2015, the vessel commenced a fixed-rate time charter to Orient Overseas Container Line (UK) Limited, an affiliate of the seller, for a period of 36 to 39 months at \$34,500 per day. The charter is expected to generate annual EBITDA of approximately \$9.4 million and increases contracted revenue by between \$37.7 million and \$40.9 million

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "In the first quarter of 2015, Global Ship Lease continued to build upon the positive momentum established in 2014, successfully expanding our fleet to increase earnings by locking in multi-year timecharter contracts with high-quality counterparties, and thus creating long-term value for shareholders. During the quarter, we made further progress in diversifying our portfolio, entering into a second sale and leaseback transaction with OOCL, a world-class liner company. By adding the 8,063 TEU OOCL Qingdao to our fleet, we substantially increased our contracted revenue stream and EBITDA generation capacity on an immediately accretive basis."

Mr. Webber continued, "As we move forward, we are focused on the continued execution of our growth strategy during a time of continuing cyclically low asset values, while consistently generating cash and strengthening our balance sheet. In this way, we are making real progress towards our goal of securely passing the relevant financial test during 2015 and putting ourselves in a position to initiate a dividend for our common shareholders."

### SELECTED FINANCIAL DATA - UNAUDITED

(thousands of U.S. dollars)

	<b>Three</b> <b>months ended</b> <b>March 31, 2015</b>	Three months ended March 31, 2014
Revenue	<b>37,719</b>	34,039
Operating Income	<b>12,652</b>	10,852
Net Income for common shareholders	<b>24</b>	1,843
Adjusted EBITDA (1)	<b>23,630</b>	20,885
Normalised Net Income (1)	<b>24</b>	2,885

(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 fleet generated revenue from fixed-rate time charters of \$37.7 million in the three months ended March 31, 2015, up \$3.7

million or 10.9% on revenue of \$34.0 million for the comparative quarter in 2014. The increase in revenue is mainly due to the addition of OOCL Tianjin from October 2014 and OOCL Qingdao from March 11, 2015, each at a daily charter rate of \$34,500. There were 1,641 ownership days in the quarter, up 7.3% on 1,530 ownership days in the comparative quarter. With 12 days offhire in the three months ended March 31, 2015, of which nine were for a scheduled drydocking, utilization was 99.3%. In the comparable quarter of 2014, there were five days offhire, giving a utilization of 99.7%.

The table below shows fleet utilization for the three months ended March 31, 2015 and 2014, and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010.

Days	Three months ended						
	Mar 31, 2015	Mar 31, 2014	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Ownership days	1,641	1,530	6,270	6,205	6,222	6,205	6,205
Planned offhire -- drydock	(9)	0	(48)	(21)	(82)	(95)	0
Unplanned offhire	(3)	(5)	(12)	(7)	(16)	(11)	(3)
Idle time	0	0	(64)	0	0	0	0
Operating days	1,629	1,525	6,146	6,177	6,124	6,099	6,202
Utilization	99.3%	99.7%	98.0%	99.5%	98.4%	98.3%	99.9%

There are no further regulatory drydockings scheduled for 2015.

#### *Vessel Operating Expenses*

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$12.4 million for the three months ended March 31, 2015, up 7.9% from \$11.5 million for the three months ended March 31, 2014. The increase is due to an increase of 7.3% in the number of ownership days due to the acquisitions of OOCL Tianjin and OOCL Qingdao, together with an increase of \$43 or 0.6% in average cost per ownership day from \$7,538 in the three months ended March 31, 2014 to \$7,581 for the three months ended March 31, 2015.

#### *Depreciation*

Depreciation for the three months ended March 31, 2015 was \$11.0 million, compared to \$10.0 million in the three months ended March 31, 2014. The increase is due mainly to the addition of OOCL Tianjin and OOCL Qingdao.

#### *General and Administrative Costs*

General and administrative costs incurred were \$1.8 million in the three months ended March 31, 2015, compared to \$1.7 million in the three months ended March 31, 2014.

#### *Other operating income*

Other operating income in the three months ended March 31, 2015 was \$109,000, compared to \$107,000 for the three months ended March 31, 2014.

#### *Adjusted EBITDA*

As a result of the above, Adjusted EBITDA was \$23.6 million for the three months ended March 31, 2015, up from \$20.9 million for the three months ended March 31, 2014.

#### *Interest Expense*

Until March 19, 2014, the Company's borrowings comprised amounts outstanding under its previous credit facility, which carried interest at US \$ LIBOR plus a margin, most recently 3.75%, and \$45.0 million Series A preferred shares, which carried interest at US \$ LIBOR plus a margin of 2.00%. The Company hedged its interest rate exposure by entering into derivatives that swapped floating rate debt for fixed-rate debt to provide long-term stability and predictability to cash flows.

On March 19, 2014, the outstanding borrowings under the previous credit facility totaling \$366.4 million were repaid out of the proceeds of \$420.0 million aggregate principal amount of 10.0% First Priority Secured Notes due 2019 (the "Notes") issued the same day. In addition, the \$277.0 million nominal amount of interest rate derivatives outstanding were terminated on March 19, 2014 for a final payment of \$19.3 million.

The \$45.0 million Series A preferred shares were redeemed on August 22, 2014, principally from the proceeds of an issuance of Series B cumulative perpetual preferred shares.

Interest expense for the three months ended March 31, 2015, was \$11.9 million. This includes interest and the amortization of deferred financing costs and of the original issue discount on the Notes and the commitment fee, when undrawn, and interest when drawn to partly finance the purchase of OOCL Qingdao on March 11, 2015, on the Company's \$40.0 million revolving credit facility.

Interest expense for the three months ended March 31, 2014 totaled \$8.1 million. Interest on the \$366.4 million that was outstanding under the previous credit facility until the facility was repaid on March 19, 2014 was \$3.1 million. Interest on the Notes from March 19, 2014 at the fixed rate of 10.0% was \$1.4 million. Amortization of deferred financing charges, including accelerated write off of \$3.0 million being the balance of such charges associated with the previous credit facility, was \$3.4 million. Interest on the \$45.0 million of Series A preferred shares that were outstanding throughout the three months ended March 31, 2014 together with and from March 19, 2014, the commitment fee on the Company's new and then undrawn \$40.0 million revolving credit facility and the amortization of the original issue discount on the Notes totaled \$0.3 million.

Interest income for the three months ended March 31, 2015 and 2014 was not material.

#### *Change in Fair Value of Financial Instruments*

There were no financial instruments outstanding during the three months ended March 31, 2015.

The Company hedged its interest rate exposure on floating-rate debt under its previous credit facility by entering into derivatives that swapped the floating rate debt for fixed-rate debt to provide long-term stability and predictability to cash flows. As these hedges did not qualify for hedge accounting under US GAAP, the outstanding hedges were 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, which were terminated on March 19, 2014, gave a realized loss of \$2.8 million in the three months ended March 31, 2014 for settlements of swaps in the period, as US \$ LIBOR rates were lower than the average fixed rate embedded in the hedging instruments. Further, there was a \$1.9 million unrealized gain for revaluation of the balance sheet position as at March 19, 2014 given prevailing US \$ LIBOR and movements in the forward curve for interest rates.

The \$277.0 million nominal amount of interest rate derivatives outstanding were terminated on March 19, 2014 for a final payment of \$19.3 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 March 31, 2015 and 2014 was not material.

#### *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 March 31, 2015 was \$0.8 million.

#### *Net Income Available to Common Shareholders*

Net income available to common shareholders for the three months ended March 31, 2015 was \$24,000. For the three months ended March 31, 2014, net income was \$1.8 million, including the \$1.9 million non-cash mark-to-market gain on interest rate derivatives and the non-cash \$3.0 million accelerated write off of deferred financing costs.

Normalized net income for the three months ended March 31, 2015 was the same as reported net income at \$24,000.

Normalized net income for the three months ended March 31, 2014, which excludes the effect of the non-cash interest rate derivative mark-to-market gains and accelerated write off of deferred financing costs, was \$2.9 million.

## Dividend

The board of directors is committed to paying a meaningful dividend once this can be sustained and provided that it is in the best interests of shareholders at the time. In the meantime, Global Ship Lease is not paying a dividend on common shares.

## Fleet

The following table provides information about the on-the-water fleet of 19 vessels.

Vessel Name	Capacity in TEUs <sup>(1)</sup>	Year Built	Purchase by GSL	Remaining	Earliest	Daily
				Charter Term <sup>(2)</sup> (years)	Charter Expiry Date	Charter Rate \$
Ville d'Orion	4,113	1997	Dec 2007	0.1	April 1, 2015	8,000
Ville d'Aquarius	4,113	1996	Dec 2007	0.1	April 3, 2015	8,390
CMA CGM Matisse	2,262	1999	Dec 2007	4.7	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	4.7	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	2.7	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	2.7	Sept 11, 2017	18,465
Kumasi	2,207	2002	Dec 2007	2.7	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	Dec 2007	2.7	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	Dec 2007	4.7	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	4.7	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	5.7	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	5.7	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	10.7	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	7.7	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	7.7	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	7.7	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	6.5	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	2.7	Oct 28, 2017	34,500
OOCL Qingdao	8,063	2004	Mar 2015	3.0	Mar 11, 2018	34,500

(1) *Twenty-foot Equivalent Units.*

(2) *As at March 31, 2015. Plus or minus 90 days, other than (i) Ville d'Orion which is between January 17 and July 17, 2015, (ii) Ville d'Aquarius which is between April 3 and June 3, 2015, (iii) OOCL Tianjin which is between October 28, 2017 and January 28, 2018 and (iv) OOCL Qingdao which is between March 11, 2018 and June 11, 2018, all at charterer's option.*

## Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended March 31, 2015 today, Thursday, April 30, 2015 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: 25462181

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 Saturday, May 16, 2015 at (855) 859-2056 or (404) 537-3406. Enter the code 25462181 to access the audio replay. The webcast will also be archived on the Company's website:

## Annual Report on Form 20-F

Global Ship Lease, Inc has filed its Annual Report for 2014 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](mailto: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 19 vessels with a total capacity of 82,475 TEU and an average age, weighted by TEU capacity, at March 31, 2015 of 11.0 years. All 19 vessels are currently fixed on time charters, 15 of which are with CMA CGM. The average remaining term of the charters at March 31, 2015 is 5.3 years or 5.8 years on a weighted basis, excluding Ville d'Aquarius, and Ville d'Orion, which are deployed in the short-term charter market.

## 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 Mar 31, 2015	Three months ended Mar 31, 2014
Net income available to common shareholders	24	1,843
Adjust: Depreciation	10,978	10,033
Interest income	(14)	(10)
Interest expense	11,865	8,142
Realized loss on interest rate derivatives	--	2,801
Unrealized gain on interest rate derivatives	--	(1,944)
Income tax	11	20
Earnings allocated to preferred shares	766	--
Adjusted EBITDA	<u>23,630</u>	<u>20,885</u>

### B. Normalized net income

Normalized net income represents net income adjusted for the unrealized gain on derivatives and accelerated amortization of deferred financing 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 or any other financial metric required by such accounting principles.

#### **NORMALIZED NET INCOME -- UNAUDITED**

*(thousands of U.S. dollars)*

	Three months ended Mar 31, <u>2015</u>	Three months ended Mar 31, <u>2014</u>
Net income available to common shareholders	24	1,843
Adjust: Unrealized gain on derivatives	--	(1,944)
Accelerated amortization of deferred financing charges	<u>--</u>	<u>2,986</u>
Normalized net income	<u>24</u>	<u>2,885</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, drydocking 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 per share data)

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating Revenues</b>		
Time charter revenue	<u>\$ 37,719</u>	<u>\$ 34,039</u>
<b>Operating Expenses</b>	12,441	11,533
Vessel operating expenses		
Depreciation	10,978	10,033
General and administrative	1,757	1,728
Other operating income	<u>(109)</u>	<u>(107)</u>
Total operating expenses	<u>25,067</u>	<u>23,187</u>
<b>Operating Income</b>	12,652	10,852
<b>Non Operating Income (Expense)</b>		
Interest income	14	10
Interest expense	(11,865)	(8,142)
Realized loss on interest rate derivatives	--	(2,801)
Unrealized gain on interest rate derivatives	<u>--</u>	<u>1,944</u>
<b>Income before Income Taxes</b>	801	1,863
Income taxes	<u>(11)</u>	<u>(20)</u>
<b>Net Income</b>	\$ 790	\$ 1,843
Earnings allocated to Series B Preferred Shares	<u>(766)</u>	<u>--</u>

<b>Net Income available to Common Shareholders</b>	<u>\$ 24</u>	<u>\$ 1,843</u>
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**Earnings per Share**

Weighted average number of Class A common shares outstanding

Basic (including RSUs without service conditions)	47,766,484	47,691,178
Diluted	47,836,661	47,803,074

Net income per Class A common share

Basic (including RSUs without service conditions)	\$ nil	\$ 0.04
Diluted	\$ nil	\$ 0.04

Weighted average number of Class B common shares outstanding

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

Basic and diluted	\$ nil	\$ nil
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**Global Ship Lease, Inc.**  
**Interim Unaudited Consolidated Balance Sheets**  
(Expressed in thousands of U.S. dollars)

**March 31, December 31,**  
**2015 2014**

**Assets**

Cash and cash equivalents	\$ 18,694	\$ 33,295
Accounts receivable	918	1,244
Prepaid expenses	961	609
Other receivables	484	996
Inventory	624	553
Current portion of deferred financing costs	<u>3,231</u>	<u>3,148</u>

Total current assets	<u>24,912</u>	<u>39,845</u>
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Vessels in operation	880,893	836,537
Other fixed assets	5	6
Intangible assets	60	67
Deferred financing costs	<u>9,588</u>	<u>10,172</u>

Total non-current assets	<u>890,546</u>	<u>846,782</u>
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<b>Total Assets</b>	<u><u>\$ 915,458</u></u>	<u><u>\$ 886,627</u></u>
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**Liabilities and Stockholders' Equity**



**Liabilities**

Intangible liability - charter agreements	2,119	2,119
Deferred revenue	667	462
Accounts payable	1,386	2,123
Accrued expenses	<u>4,771</u>	<u>15,278</u>
Total current liabilities	<u>8,943</u>	<u>19,982</u>
Long term debt	455,128	414,782
Intangible liability - charter agreements	13,164	13,693
Deferred tax liability	<u>38</u>	<u>34</u>
Total long term liabilities	<u>468,330</u>	<u>428,509</u>
<b>Total Liabilities</b>	<u>\$ 477,273</u>	<u>\$ 448,491</u>
Commitments and contingencies	--	--
<b>Stockholders' Equity</b>		
Class A Common stock - authorized 214,000,000 shares with a \$0.01 par value; 47,541,484 shares issued and outstanding (2014 - 47,541,484)	\$ 475	\$ 475
Class B Common stock - authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2014 - 7,405,956)	74	74
Series B Preferred shares - authorized 16,100 shares with a \$0.01 par value; 14,000 shares issued and outstanding (2014 - 14,000)	--	--
Additional paid in capital	386,375	386,350
Retained earnings	<u>51,261</u>	<u>51,237</u>
<b>Total Stockholders' Equity</b>	<u>438,185</u>	<u>438,136</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 915,458</u>	<u>\$ 886,627</u>

**Global Ship Lease, Inc.**  
**Interim Unaudited Consolidated Statements of Cash Flows**  
(Expressed in thousands of U.S. dollars)

	<b>Three months ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 790	\$ 1,843

**Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities**

Depreciation	10,978	10,033
Amortization of deferred financing costs	791	3,350
Amortization of original issue discount	346	31
Change in fair value of derivative instruments	--	(1,944)
Amortization of intangible liability	(529)	(529)
Settlements of derivative instruments which do not qualify for hedge accounting	--	2,801
Share based compensation	25	50
Decrease in accounts receivable and other assets	647	4,577
(Increase) decrease in inventory	(71)	--
(Decrease) increase in accounts payable and other liabilities	(11,291)	531
Increase in unearned revenue	205	--
Unrealized foreign exchange (gain) loss	(21)	4

**Net Cash Provided by Operating Activities** 1,870 20,747

**Cash Flows from Investing Activities**

Cash paid for vessels	(54,220)	--
Settlement and termination of derivative instruments which do not qualify for hedge accounting	--	(22,146)
Cash paid for other assets	--	(7)
Cash paid for drydockings	(1,485)	--

**Net Cash Used in Investing Activities** (55,705) (22,153)

**Cash Flows from Financing Activities**

Repayment of credit facility	--	(366,366)
Proceeds from issuance of secured notes	--	413,700
Proceeds from drawdown of credit facility	40,000	--
Deferred financing costs incurred	--	(15,304)
Series B Preferred Shares - dividends paid	(766)	--

**Net Cash Provided by Financing Activities** 39,234 32,030

**Net (Decrease) Increase in Cash and Cash Equivalents** (14,601) 30,624

**Cash and Cash Equivalents at start of Period** 33,295 24,539

**Cash and Cash Equivalents at end of Period** \$ 18,694 \$ 55,163

**Supplemental information**

Total interest paid	\$ 21,000	\$ 3,497
Income tax paid	<u>\$ 17</u>	<u>\$ 24</u>

CONTACT: Investor and Media Contacts:

The IGB Group

Bryan Degnan

646-673-9701

or

Leon Berman

212-477-8438