



Global Ship Lease Reports Results for the Third Quarter of 2011

LONDON, Nov. 14, 2011 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three and nine months ended September 30, 2011.

Third Quarter and Year To Date Highlights

- Reported revenue of \$38.7 million for the third quarter 2011, down from \$40.0 million for the third quarter 2010 due mainly to 58 days offhire in third quarter 2011 for planned drydockings. Revenue for the nine months ended September 30, 2011 was \$116.6 million compared to \$118.8 million for the nine months ended September 30, 2010 due to 88 days offhire in 2011 for planned drydockings
- Reported net loss of \$0.9 million for the third quarter 2011, after \$6.1 million non-cash interest rate derivative mark-to-market loss. For the third quarter 2010 the reported net loss was \$3.5 million, after \$9.7 million non-cash mark-to-market loss. Excluding the mark-to-market items, normalized net income⁽¹⁾ was \$5.2 million for the third quarter 2011 compared to normalized net income of \$6.2 million for the third quarter 2010
- For the nine months ended September 30, 2011 the reported net loss was \$1.8 million, after \$13.6 million non-cash impairment charge relating to the fair value of purchase options and \$4.9 million mark-to-market loss. The reported net loss of \$5.2 million for the nine months ended September 30, 2010 was after a mark-to-market loss of \$27.0 million. Normalized net income for the nine months ended September 30, 2011 was \$16.8 million compared to \$21.8 million for the nine months ended September 30, 2010
- Generated \$25.2 million EBITDA⁽¹⁾ for the third quarter 2011, down on \$26.8 million for the third quarter 2010 due mainly to reduced revenue and increased costs as a result of planned drydockings. EBITDA for the nine months ended September 30, 2011 was \$77.1 million, compared to \$82.5 million for the nine months ended September 30, 2010 due mainly to planned drydockings in 2011 and increased crew costs
- Repaid \$10.0 million in debt during the third quarter of 2011; repaid \$33.9 million year-to-date and \$100.1 million since August 2009
- Purchase options on two 4,250 TEU newbuildings were allowed to expire

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "Third quarter results once again demonstrated the strength of our business model in generating sizeable, stable cash flows. With our fleet of 17 vessels operating on long-term fixed rate charters and utilization levels high, we achieved EBITDA of \$25.2 million for the quarter, despite the challenging economic environment and four vessels being in drydock during the quarter. Given our fully time-chartered fleet has a weighted average remaining term of 8.6 years providing contracted revenue stream of over \$1.2 billion, we maintain a positive long-term outlook on our future business prospects."

Mr. Webber continued, "During a time in which we have no purchase obligations, we continue to take steps to strengthen our balance sheet for the benefit of our shareholders. We reduced our debt by an additional \$10 million in the third quarter for total repayments of \$33.9 million year-to-date and \$100.1 million since August 2009. As a result of the downturn in the containership market and decline in asset values, we have initiated discussions with our bank group to amend our credit facility in anticipation of the upcoming loan-to-value test on November 30, 2011. We have made good progress in our discussions and expect to have an agreement in place by the time of the test."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

Three months ended	Three months ended	Nine months ended	Nine months ended
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	<u>September</u> <u>30, 2011</u>	September 30, 2010	<u>September</u> <u>30, 2011</u>	September 30, 2010
Revenue	38,676	40,040	116,554	118,802
Operating Income	15,046	16,703	33,424	52,546
Net (Loss)	(935)	(3,526)	(1,789)	(5,198)
EBITDA (1)	25,163	26,803	77,124	82,501
Normalised Net Income (1)	5,155	6,173	16,786	21,834

(1) EBITDA and Normalized net income are non-U.S. Generally Accepted Accounting Principles (U.S. 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 \$38.7 million in the three months ended September 30, 2011, down \$1.3 million on revenue of \$40.0 million for the comparative period in 2010. The decrease in revenue is due mainly to 58 days offhire for planned dry-docking of four vessels. During the three months ended September 30, 2011, there were 1,564 ownership days, the same as the comparable period in 2010. The 58 days offhire for dry-dockings and one unplanned offhire day in the three months ended September 30, 2011, gives a utilization of 96.2%. In the comparable period of 2010, there was no off-hire, for utilization of 100.0%.

For the nine months ended September 30, 2011, revenue was \$116.6 million, down \$2.2 million on revenue of \$118.8 million in the comparative period, mainly due to the effect of 88 days offhire for drydockings.

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

<u>Days</u>	<u>Three months ended</u>		<u>Nine months ended</u>		<u>Year</u>
	<u>Sept 30,</u>	<u>Sept 30,</u>	<u>Sept 30,</u>	<u>Sept 30,</u>	<u>ended</u>
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>Dec 31,</u>
					<u>2010</u>
Ownership days	1,564	1,564	4,641	4,641	6,205
Planned offhire - scheduled drydock	(58)	0	(88)	0	0
Unplanned offhire	<u>(1)</u>	<u>0</u>	<u>(6)</u>	<u>(2)</u>	<u>(3)</u>
Operating days	1,505	1,564	4,547	4,639	6,202
Utilization	96.2%	100.0%	98.0%	100.0%	100.0%

The drydocking of six vessels had been completed by September 30, 2011. The drydocking of one further vessel is scheduled to commence late December 2011. In 2012, six vessels are scheduled to be drydocked. Two drydockings are scheduled for each of 2013 and 2014.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$11.8 million for the three months ended September 30, 2011. The average cost per ownership day was \$7,513, up \$322 or 4.5% on \$7,191 for the rolling four quarters ended June 30, 2011. The increase is due to increased crew wages, mainly from the third quarter 2010, as a result of inflation and adverse exchange rate movements as a portion of crew costs are denominated in euros, together with higher insurance deductibles and costs expensed in the three months ended September 30, 2011 relating to the drydockings. The third quarter 2011 average daily cost was up 7.5% from the average daily cost of \$6,992 for the comparative period in 2010 due to higher insurance deductibles and costs incurred in connection with drydocking in third quarter 2011.

For the nine months ended September 30, 2011 vessel operating expenses were \$34.0 million or an average of \$7,337 per day compared to \$30.7 million in the comparative period or \$6,612 per day.

Depreciation

Depreciation of \$10.1 million for the three months ended September 30, 2011 was the same as in the comparative period in 2010 as there were no changes to the fleet.

Depreciation for the nine months ended September 30, 2011 was \$30.1 million, compared to \$30.0 million in the comparative period.

General and Administrative Costs

General and administrative costs incurred were \$1.8 million in the three months ended September 30, 2011, compared to \$1.9 million for the comparable period in 2010.

For the nine months ended September 30, 2011, general and administrative costs were \$5.6 million compared to \$5.8 million for the comparable period in 2010.

Vessel Purchase Options Expiration

In November 2010, the Company signed agreements with the sellers of two 4,250 TEU newbuildings to (i) terminate the Company's obligations under contracts entered into in September 2008 to purchase the vessels on their delivery to the sellers by the builder, which was anticipated to be at the end of 2010 and (ii) grant the Company options to purchase the vessels on the first anniversary of their delivery by the builder to the sellers. 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 with financing on favorable terms. As the Company considered it unlikely that it would be able to obtain committed finance on acceptable terms before the expiry of the options on September 16, 2011 for one vessel and October 4, 2011 for the other, intangible assets totaling \$13.6 million relating to these options were written off in the second quarter 2011. Both purchase options were allowed to expire.

Other operating income

Other operating income in the three months ended September 30, 2011 was \$0.0 million, compared to a loss of \$0.4 million in the comparative period.

For the nine months ended September 30, 2011, other operating income was \$0.2 million, the same as in the comparative period.

EBITDA

As a result of the above, EBITDA was \$25.2 million for the three months ended September 30, 2011 down from \$26.8 million for the three months ended September 30, 2010.

EBITDA for the nine months to September 30, 2011 was \$77.1 million compared to \$82.5 million in the comparative period.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended September 30, 2011 was \$4.8 million. The Company's borrowings under its credit facility averaged \$509.0 million during the three months ended September 30, 2011. There were \$48.0 million preferred shares throughout the period giving total average borrowings through the three months ended September 30, 2011 of \$557.0 million. Interest expense in the comparative period in 2010 was \$6.0 million on average borrowings, including the preferred shares, of \$601.1 million.

For the nine months ended September 30, 2011, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was \$15.4 million. The Company's borrowings under its credit facility averaged \$520.1 million during the nine months to September 30, 2011. There were \$48.0 million preferred shares throughout the period. Interest expense for the nine months ended September 30, 2010 was \$17.9 million based on average borrowings, including the preferred shares, of \$622.4 million in the period.

Interest income for the three and nine months ended September 30, 2011 and 2010 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 U.S. 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 \$5.0 million in the three months ended September 30, 2011 for settlements of swaps in the period, as current LIBOR rates are lower than the average fixed rates. Further, there was \$6.1 million unrealized loss 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 \$4.1 million loss in the three months ended September 30, 2010 and an unrealized loss of \$9.7 million.

For the nine months ended September 30, 2011 the realized loss from hedges was \$14.6 million and the unrealized loss was \$4.9 million. This compares to a realized loss in the nine months ended September 30, 2010 of \$12.4 million and an unrealized loss of \$27.0 million.

At September 30, 2011, interest rate derivatives totaled \$580.0 million against floating rate debt of \$547.0 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 2010. \$253.0 million of the interest rate derivatives expire mid March 2013. The total mark-to-market unrealized loss recognized as a liability on the balance sheet at September 30, 2011 was \$49.4 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, 2011 was \$0.2 million compared to \$0.6 million in the comparative period which included \$0.4 million tax relating to Marathon Acquisition Corp. for the period up to August 14, 2008.

Taxation for the nine months ended September 30, 2011 was \$0.3 million compared to \$0.6 million in the comparative period.

Net Income/Loss

Net loss for the three months ended September 30, 2011 was \$0.9 million after \$6.1 million non-cash interest rate derivative mark-to-market loss. For the three months ended September 30, 2010 net loss was \$3.5 million, after \$9.7 million non-cash interest rate derivative mark-to-market loss. Normalized net income, excluding the effect of the non-cash interest rate derivative mark-to-market loss, was \$5.2 million for the three months ended September 30, 2011 and \$6.2 million for the three months ended September 30, 2010.

Net loss was \$1.8 million for the nine months ended September 30, 2011 after the non-cash impairment charge of \$13.6 million and \$4.9 million non-cash interest rate derivative mark-to-market loss. For the nine months ended September 30, 2010 net loss was \$5.2 million including \$27.0 million non-cash interest rate derivative mark-to-market loss. Normalized net income was \$16.8 million for the nine months ended September 30, 2011 and \$21.8 million for the nine months ended September 30, 2010.

Credit Facility

The container shipping industry is currently experiencing a significant cyclical downturn. One consequence is that there has been a recent decline in charter free market values of containerships. Whilst 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 next scheduled test of the Leverage Ratio is as at November 30, 2011 when the Company anticipates the Leverage Ratio will be between 75% and 90%. As a result of the Company's stable business model which generates largely predictable cash flows from its long-term charters, the Leverage Ratio has little impact on operating performance.

The Company is in discussions with its lenders to amend the credit facility in respect to the Leverage Ratio. The Company was in compliance with all of its financial covenants at September 30, 2011 and at the date of issuance of the third quarter financial statements. Management expects that an amendment or waiver will be obtained and accordingly, the interim unaudited consolidated financial statements are prepared on a going concern basis. If the Company does not successfully amend the credit facility by November 30, 2011 or otherwise obtain a deferral or waiver of the requirement to perform the Leverage Ratio test as at that date, and its Leverage Ratio is above 75%, the lenders may declare an event of default and accelerate some or all of the debt or require the Company to provide additional security. Any amount of the long-term debt which is declared to be immediately repayable would be reclassified as a current liability.

In the three months ended September 30, 2011 a total of \$10.0 million of debt was prepaid leaving a balance outstanding of \$499.0 million.

Dividend

Global Ship Lease is not currently paying a dividend on common shares.

In order to achieve the objective of distributing sustainable dividends to shareholders over the long-term and grow the Company accretively, the Board of Directors reviews the Company's dividend policy on a quarterly basis, taking into consideration capital structure, growth opportunities, industry fundamentals, asset value trends and future financial performance including cash flow, among others factors.

Fleet

The following table provides information, as at September 30, 2011, about the on-the-water fleet of 17 vessels chartered to CMA CGM.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Purchase Date by GSL	Remaining Charter Term (years)	Daily Charter Rate
Ville d'Orion	4,113	1997	December 2007	1.25	\$28,500
Ville d'Aquarius	4,113	1996	December 2007	1.25	\$28,500
CMA CGM Matisse	2,262	1999	December 2007	5.25	\$18,465
CMA CGM Utrillo	2,262	1999	December 2007	5.25	\$18,465
Delmas Keta	2,207	2003	December 2007	6.25	\$18,465
Julie Delmas	2,207	2002	December 2007	6.25	\$18,465
Kumasi	2,207	2002	December 2007	6.25	\$18,465
Marie Delmas	2,207	2002	December 2007	6.25	\$18,465
CMA CGM La Tour	2,272	2001	December 2007	5.25	\$18,465
CMA CGM Manet	2,272	2001	December 2007	5.25	\$18,465
CMA CGM Alcazar	5,089	2007	January 2008	9.25	\$33,750
CMA CGM Château d'If	5,089	2007	January 2008	9.25	\$33,750
CMA CGM Thalassa	11,040	2008	December 2008	14.25	\$47,200
CMA CGM Jamaica	4,298	2006	December 2008	11.25	\$25,350
CMA CGM Sambhar	4,045	2006	December 2008	11.25	\$25,350
CMA CGM America	4,045	2006	December 2008	11.25	\$25,350
CMA CGM Berlioz	6,621	2001	August 2009	10.00	\$34,000

(1) *Twenty-foot Equivalent Units.*

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, 2011 today, Monday, November 14, 2011 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

1) Dial-in: (866) 966-9439 or (631) 510-7498; Passcode: 24175987

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 Monday, November 28, 2011 at (866) 247-4222 or (631) 510-7499. Enter the code 24175987 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 2010 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, 2011 of 7.6 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 7.3 years, or 8.6 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. EBITDA

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. EBITDA is a non-U.S. 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 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. EBITDA is not defined in U.S. GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Sept 30, 2011	Three months ended Sept 30, 2010	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010
Net (loss)	(935)	(3,526)	(1,789)	(5,198)
Adjust: Depreciation	10,117	10,100	30,055	29,955
Impairment charge	--	--	13,645	--
Interest income	(13)	(66)	(36)	(161)
Interest expense	4,760	5,963	15,428	17,867
Realized loss on interest rate derivatives	4,953	4,054	14,605	12,384
Unrealized loss on interest rate derivatives	6,090	9,699	4,930	27,032
Income tax	<u>191</u>	<u>579</u>	<u>286</u>	<u>622</u>
EBITDA	<u>25,163</u>	<u>26,803</u>	<u>77,124</u>	<u>82,501</u>

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 U.S. 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, 2011	Three months ended Sept 30, 2010	Nine months ended Sept 30, 2011	Nine months ended Sept 30, 2010
Net loss	(935)	(3,526)	(1,789)	(5,198)
Adjust: Change in value of derivatives	6,090	9,699	4,930	27,032
Impairment charge	--	--	13,645	--
Normalized net income	<u>5,155</u>	<u>6,173</u>	<u>16,786</u>	<u>21,834</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 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 Consolidated Statements of Income

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Operating Revenues				
Time charter revenue	\$38,676	\$40,040	\$116,554	\$118,802
Operating Expenses				
Vessel operating expenses	11,750	10,936	34,047	30,684
Depreciation	10,117	10,100	30,055	29,955
General and administrative	1,801	1,924	5,619	5,843
Impairment charge	--	--	13,645	--
Other operating (income) loss	(38)	377	(236)	(226)
Total operating expenses	23,630	23,337	83,130	66,256
Operating Income	15,046	16,703	33,424	52,546
Non Operating Income (Expense)				
Interest income	13	66	36	161
Interest expense	(4,760)	(5,963)	(15,428)	(17,867)
Realized loss on interest rate derivatives	(4,953)	(4,054)	(14,605)	(12,384)
Unrealized loss on interest rate derivatives	(6,090)	(9,699)	(4,930)	(27,032)
(Loss) before Income Taxes	(744)	(2,947)	(1,503)	(4,576)
Income taxes	(191)	(579)	(286)	(622)
Net (Loss)	\$ (935)	\$ (3,526)	\$ (1,789)	\$ (5,198)

Earnings per Share

Weighted average number of Class A common shares outstanding				
Basic	47,211,396	46,852,478	47,195,676	46,837,885
Diluted	47,211,396	46,852,478	47,195,676	46,837,885

Net income (loss) in \$ per Class A common share				
Basic	\$ (0.02)	\$ (0.08)	\$ (0.04)	\$ (0.11)
Diluted	\$ (0.02)	\$ (0.08)	\$ (0.04)	\$ (0.11)

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 Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	September 30, 2011	December 31, 2010
Assets		
Cash and cash equivalents	\$38,554	\$28,360
Restricted cash	3,027	3,027
Accounts receivable	6,823	7,341
Prepaid expenses	677	712
Other receivables	537	264
Deferred tax	95	265
Deferred financing costs	<u>979</u>	<u>1,009</u>
Total current assets	<u>50,692</u>	<u>40,978</u>
Vessels in operation	900,167	922,498
Other fixed assets	58	10
Intangible assets — vessel purchase options	--	13,645
Intangible assets — other	97	26
Deferred financing costs	<u>3,107</u>	<u>3,865</u>
Total non-current assets	<u>903,429</u>	<u>940,044</u>
Total Assets	<u><u>\$954,121</u></u>	<u><u>\$981,022</u></u>

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	\$40,000	\$44,500
Intangible liability — charter agreements	2,119	2,119
Accounts payable	7,217	1,391
Accrued expenses	4,656	5,575
Derivative instruments	<u>17,644</u>	<u>17,798</u>
 Total current liabilities	 <u>71,636</u>	 <u>71,383</u>
 Long term debt	 458,953	 488,269
Preferred shares	48,000	48,000
Intangible liability — charter agreements	20,580	22,169
Derivative instruments	<u>31,721</u>	<u>26,637</u>
 Total long-term liabilities	 <u>559,254</u>	 <u>585,075</u>
 Total Liabilities	 <u>\$630,890</u>	 <u>\$656,458</u>

Commitments and contingencies --

Stockholders' Equity

Class A Common stock — authorized 214,000,000 shares with a \$0.01 par value; 47,395,228 shares issued and outstanding (2010 — 47,130,467)	\$474	\$471
Class B Common stock — authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2010 — 7,405,956)	74	74
 Additional paid in capital	 351,748	 351,295
Accumulated deficit	<u>(29,065)</u>	<u>(27,276)</u>
 Total Stockholders' Equity	 <u>323,231</u>	 <u>324,564</u>
 Total Liabilities and Stockholders' Equity	 <u><u>\$954,121</u></u>	 <u><u>\$981,022</u></u>

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,	
2011	2010	2011	2010

Cash Flows from Operating Activities

Net (loss)	\$ (935)	\$ (3,526)	\$ (1,789)	\$ (5,198)
Adjustments to Reconcile Net (Loss) to Net Cash Provided by Operating Activities				
Depreciation	10,117	10,100	30,055	29,955
Impairment charge	--	--	13,645	--
Amortization of deferred financing costs	257	226	788	677
Change in fair value of certain derivative instruments	6,090	9,699	4,930	27,032
Amortization of intangible liability	(530)	(529)	(1,589)	(1,588)
Settlements of hedges which do not qualify for hedge accounting	4,953	4,054	14,605	12,384
Share based compensation	145	223	456	849
Decrease (increase) in accounts receivable and other assets	754	(422)	413	38
Increase (decrease) in accounts payable and other liabilities	4,140	(1,358)	2,301	(488)
Unrealized foreign exchange (gain)	(18)	(3)	(7)	(5)
Net Cash Provided by Operating Activities	<u>24,973</u>	<u>18,464</u>	<u>63,808</u>	<u>63,656</u>
Cash Flows from Investing Activities				
Settlements of hedges which do not qualify for hedge accounting	(4,953)	(4,054)	(14,605)	(12,384)
Cash paid for other fixed assets	(57)	(12)	(57)	(12)
Cash paid to acquire intangible assets	(5)	--	(97)	--
Cash paid for purchases of vessels, vessel prepayments and vessel deposits	--	(157)	--	(1,285)
Costs relating to drydockings	(3,715)	--	(5,039)	(164)
Variation in restricted cash	--	(16,235)	--	(16,235)
Net Cash Used in Investing Activities	<u>(8,730)</u>	<u>(20,458)</u>	<u>(19,798)</u>	<u>(30,080)</u>
Cash Flows from Financing Activities				
Repayment of debt	(10,000)	--	(33,816)	(35,051)
Net Cash Used in Financing Activities	<u>(10,000)</u>	<u>--</u>	<u>(33,816)</u>	<u>(35,051)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,243	(1,994)	10,194	(1,475)
Cash and Cash Equivalents at start of Period	<u>32,311</u>	<u>31,329</u>	<u>28,360</u>	<u>30,810</u>
Cash and Cash Equivalents at end of Period	<u>\$ 38,554</u>	<u>\$ 29,335</u>	<u>\$ 38,554</u>	<u>\$ 29,335</u>
Supplemental information				
Non cash investing and financing activities				
Total interest paid	\$ 2,978	\$ 6,237	\$ 14,844	\$ 16,806
Income tax paid	<u>\$ 44</u>	<u>\$ 21</u>	<u>\$ 131</u>	<u>\$ 7</u>

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