Global Ship Lease Reports Results for the First Quarter of 2010

LONDON, ENGLAND--(Marketwire - May 11, 2010) - Global Ship Lease, Inc. (NYSE:GSL) (NYSE:GSL.U) (NYSE:GSL.WS), a containership charter owner, announced today its unaudited results for the three months ended March 31, 2010.

First Quarter Highlights

- Generated $17.0 million of cash in the first quarter of 2010, up 11% on $15.3 million of cash generated in first quarter 2009
- Reported revenue of $39.2 million for the first quarter of 2010, up 12% on $35.0 million for the first quarter 2009 due to the purchase of one additional vessel in August 2009
- Reported normalized net earnings of $8.2 million, or $0.15 per A and B Common share, for the first quarter of 2010, excluding a $4.9 million non-cash interest rate derivative mark-to-market loss. Normalized net earnings for first quarter 2009 was $6.8 million, or $0.13 per A and B Common share, excluding $4.3 million non-cash mark-to-market gain
- Including the non-cash mark-to-market items, reported net income was $3.3 million, or $0.06 income per share, for the first quarter of 2010 compared to $11.2 million, or $0.21 income per share, for the first quarter 2009

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During the first quarter, we achieved utilization of 99.9%, reflecting less than two days unplanned off-hire. Our strong utilization is directly related to our entire 17-vessel fleet operating on long-term, fixed rate time charter contracts throughout the quarter. While conditions remain challenging in the container shipping sector, we are beginning to see positive signs including improved volumes and freight rates. In addition, reduced surplus capacity, and the subsequent firming of spot charter rates and asset values, has contributed to a nascent improvement in industry dynamics. However, the recovery remains fragile."

Mr. Webber continued, "Since amending our credit facility in August 2009, we have paid down $15 million in debt. We are committed to continuing to strengthen our financial position and expect to repay a further $79 million of debt over the next twelve months. The Company continues to be protected from short-term volatility in asset prices as we have no loan-to-value covenant assessments until end April 2011."

SELECTED FINANCIAL DATA - UNAUDITED
(thousands of U.S. dollars except per share data)

	Three months ended Mar 31, 2010	Three months ended Mar 31, 2009
Revenue	39,151	35,008
Operating Income	18,404	13,416
Net Income	3,281	11,153
Earnings per A and B share	0.06	0.21
Normalised net earnings (1)	8,160	6,844
Normalised earnings per A and B share (1)	0.15	0.13
Adjusted Cash From Operations (1)	16,984	15,302

(1) Normalized net earnings, normalized earnings per share, and adjusted cash from operations are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and reconciliations are provided to the interim unaudited financial information.

Revenue and Utilization

The 17-vessel fleet generated revenue from fixed rate long-term time charters of $39.2 million in the three months ended March 31, 2010, up 12% on revenue of $35.0 million for the comparative period in 2009 when one fewer vessel was deployed. During the three months ended March 31, 2010, there were 1,530 ownership days, up 90 or 6% on 1,440 ownership days in the comparable period in 2009. There were no dry-dockings in the three months ended March 31, 2010 and only an aggregate of two unplanned off-hire days, giving an overall utilization of 99.9%. In the comparable period of 2009, there were 34 unplanned off-hire days, representing utilization of 97.6%.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $9.6 million for the three months ended March 31, 2010. The average cost per ownership day was $6,269 compared to the average daily cost of $6,299 for the previous quarter and down 11% from the average daily cost of $7,076 (excluding nonrecurring insurance related costs) for the comparative period in 2009. The reduction on the prior year is due to lower crew costs from slightly reduced manning levels and lower lubricating oil consumption from slow steaming and following installation of alpha lubricating equipment on a number of vessels.

Vessel operating expenses are at less than the capped amounts included in Global Ship Lease's ship management agreements.

Depreciation

Depreciation was $9.9 million for the three months ended March 31, 2010, including the effect of the purchase of one additional vessel in August 2009, compared to $8.8 million for the comparative period in 2009.

General and Administrative Costs

General and administrative costs incurred were $1.8 million in the three months ended March 31, 2010, including $0.3 million non-cash charge for stock based incentives, compared to $2.1 million for the comparable period in 2009, including $0.7 million non-cash charge for stock based incentives.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended March 31, 2010 was $5.9 million. The Company's borrowings under its credit facility averaged $586.3 million during first quarter and were $584.1 million at March 31, 2010 after repayment in February 2010 of $4.1 million. There were $48.0 million preferred shares throughout the period. Interest expense in the comparative period in 2009 was $4.7 million based on average borrowings, including the preferred shares, of $590.1 million in the quarter.

Interest income for the three months ended March 31, 2010 was $35,000 and was $142,000 in the comparative 2009 period.

Change in Fair Value of Financial Instruments

The Company hedges the majority of 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 $9.3 million loss in the three months ended March 31, 2010, reflecting primarily movements in the forward curve for interest rates. Of this amount, $4.4 million was a realized loss for settlements of swaps in the period and $4.9 million was unrealized loss for revaluation of the balance sheet position. This compares to a $2.3 million gain in the three months ended March 31, 2009 of which $2.0 million was realized loss and $4.3 million was unrealized gain.

At March 31, 2010, the total mark-to-market unrealized loss recognized as a liability was $34.0 million.

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

Net Earnings

Normalized net earnings was $8.2 million, or $0.15 per Class A and B common share, for the three months ended March 31, 2010 excluding the $4.9 million non-cash interest rate derivative mark-to-market loss. Including the mark-to-market loss, reported net income was $3.3 million or $0.06 income per Class A and B common share.

Normalized net earnings and normalized earnings per share are non-US GAAP measures and are reconciled to the financial information included in this press release. We believe that they are useful measures with which to assess the Company's financial performance as they adjust for non-cash items that do not affect the Company's ability to generate cash.

Credit Facility

On August 20, 2009, the Company entered into an amendment to its credit facility, whereby the loan-to-value covenant has been waived up to and including November 30, 2010 with the next loan-to-value test scheduled for April 30, 2011. Further, Global Ship Lease was able to borrow sufficient funds under the credit facility to allow the purchase of the CMA CGM Berlioz in August 2009. Amounts borrowed under the amended credit facility bear interest at LIBOR plus a fixed interest margin of 3.50% up to November 30, 2010. Thereafter, the margin will be between 2.50% and 3.50% depending on the loan-to-value ratio.

In connection with the amended credit facility, all undrawn commitments of approximately $200 million were cancelled and Global Ship Lease may not pay dividends to common shareholders, instead using its cash flow to prepay borrowings under the credit facility. Global Ship Lease will be able to resume dividends after November 30, 2010 and once the loan-to-value is at or below 75%, when the prepayment of borrowings becomes fixed at $10 million per quarter. As part of the amendment, CMA CGM has agreed to defer redemption of the $48 million preferred shares it holds until after the final maturity of the credit facility in August 2016 and retain its current holding of approximately 24.4 million common shares at least until November 30, 2010.

Dividend

Global Ship Lease has agreed with its lenders that it will not declare or pay any dividend to common shareholders until the later of November 30, 2010 and when loan-to-value is at or below 75%. The board of directors will review the dividend policy when appropriate.

Adjusted Cash From Operations

Adjusted cash from operations was $17.0 million for the three months ended March 31, 2010 compared to $15.3 million for the three months ended March 31, 2009. Adjusted cash from operations is a non-US GAAP measure and is reconciled to the financial information further in this press release. The Company believes that it is a useful measure with which to assess the Company's operating performance as it adjusts for the effects of non-cash items.

Fleet Utilization

The table below shows fleet utilization for the three months ended March 31, 2010 and 2009 and for year ended December 31, 2009. Unplanned offhire in the three months ended March 31, 2009 includes 18 days for drydock and associated repairs following a grounding and a seven day deviation to land a sick crew member.

	Three months ended			Year ended
Days	Mar 31, 2010	Mar 31, 2009	Increase	Dec 31, 2009
Ownership days	1,530	1,440	6%	5,968
Planned offhire - scheduled drydock	-	-		(32)
Unplanned offhire	(2)	(34)		(42)
Operating days	1,528	1,406	9%	5,894
Utilization	99.9%	97.6%		98.8%

Fleet

The following table provides information 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	Charter Remaining Duration (years)	Daily Charter Rate ($)
Ville d'Orion	4,113	1997	December 2007	2.75	$28,500
Ville d'Aquarius	4,113	1996	December 2007	2.75	$28,500
CMA CGM Matisse	2,262	1999	December 2007	6.75	$18,465
CMA CGM Utrillo	2,262	1999	December 2007	6.75	$18,465
Delmas Keta	2,207	2003	December 2007	7.75	$18,465
Julie Delmas	2,207	2002	December 2007	7.75	$18,465
Kumasi	2,207	2002	December 2007	7.75	$18,465
Marie Delmas	2,207	2002	December 2007	7.75	$18,465
CMA CGM La Tour	2,272	2001	December 2007	6.75	$18,465
CMA CGM Manet	2,272	2001	December 2007	6.75	$18,465
CMA CGM Alcazar	5,100	2007	January 2008	10.75	$33,750
CMA CGM Chateau d'If	5,100	2007	January 2008	10.75	$33,750
CMA CGM Thalassa	10,960	2008	December 2008	15.75	$47,200
CMA CGM Jamaica	4,298	2006	December 2008	12.75	$25,350
CMA CGM Sambhar	4,045	2006	December 2008	12.75	$25,350
CMA CGM America	4,045	2006	December 2008	12.75	$25,350
CMA CGM Berlioz	6,627	2001	August 2009	11.50	$34,000

1. Twenty-foot Equivalent Units.

The following table provides information about the contracted fleet.

Vessel Name	Capacity in TEUs (1)	Year Built	Estimated Delivery Date	Charterer	Charter Duration (years)	Daily Charter Rate($)
Hull 789 (2)	4,250	2010	December 2010	ZIM	7-8 (3)	$28,000
Hull 790 (2)	4,250	2010	December 2010	ZIM	7-8 (3)	$28,000

1. Twenty-foot Equivalent Units.
2. Contracted to be purchased from German interests.
3. Seven-year charter that could be extended to eight years 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, 2010 today, Tuesday, May 11, 2010 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 491-0064 or (334) 323-6201; Passcode: 864755

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 Tuesday, May 25, 2010 at (888) 365-0240 or (954) 334-0342. Enter the code 864755 to access the audio replay. The webcast will also be archived on the Company's website: http://www.globalshiplease.com.

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 world class container liner companies.

Global Ship Lease owns 17 vessels with a total capacity of 66,297 TEU with a weighted average age at March 31, 2010 of 5.6 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 8.9 years. The Company has contracts in place to purchase two 4,250 TEU newbuildings from German interests for approximately $77 million each that are scheduled to be delivered in the fourth quarter of 2010. The Company has agreements to charter out these newbuildings to Zim Integrated Shipping Services Limited for seven or eight years at charterer's option.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted Cash From Operations

Adjusted cash from operations is a non-US GAAP measure and is reconciled to the financial information below. It represents net earnings adjusted for non-cash items including depreciation, amortization of deferred financing charges, accretion of earnings for intangible liabilities, charge for equity based incentive awards and change in fair value of derivatives. We also deduct an allowance for the cost of future drydockings, which due to their substantial and periodic nature could otherwise distort quarterly adjusted cashflow. There is no adjustment for movements in working capital. Adjusted cash from operations is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash. Adjusted cash from operations is not defined in accounting principles generally accepted in the United States and should not be considered to be an alternate to net earnings or any other financial metric required by such accounting principles. We believe that adjusted cash from operations is a useful measure with which to assess the Company's operating performance as it adjusts for the effects of non-cash items.

ADJUSTED CASH FROM OPERATIONS - UNAUDITED
(thousands of U.S. dollars)

		Three months ended Mar 31, 2010	Three months ended Mar 31, 2009
Net income		3,281	11,153
Adjust:	Depreciation	9,871	8,786
	Charge for equity incentive awards	311	716
	Amortization of deferred financing fees	226	374
	Change in value of derivatives	4,879	(4,309)
	Allowance for future dry-docks	(975)	(900)
	Revenue accretion for intangible liabilities	(530)	(311)
	Deferred taxation	(79)	(207)
Adjusted cash from operations		16,984	15,302

B. Normalized net earnings

Normalized net earnings is a non-US GAAP measure and is reconciled to the financial information below. It represents net earnings adjusted for the change in fair value of derivatives and the accelerated write off of a portion of deferred financing costs. Normalized net earnings is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net earnings 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 earnings is not defined in accounting principles generally accepted in the United States and should not be considered to be an alternate to net earnings or any other financial metric required by such accounting principles. Normalized net earnings per share is calculated based on normalized net earnings and the weighted average number of shares in the relevant period.

NORMALIZED NET EARNINGS - UNAUDITED
(thousands of U.S. dollars except share and per share data)

	Three months ended Mar 31, 2010	Three months ended Mar 31, 2009
Net income as reported	3,281	11,153
Adjust:Change in value of derivatives	4,879	(4,309)
Normalized net earnings	8,160	6,844
Weighted average number of Class A and B common shares outstanding (1)		
Basic	54,236,423	53,786,150
Diluted	54,343,502	53,786,150
Net income per share on reported earnings		
Basic	0.06	0.21
Diluted	0.06	0.21
Normalized net income per share		
Basic	0.15	0.13
Diluted	0.15	0.13

(1) The weighted average number of shares (basic and diluted) for the three months ended March 31, 2010 and 2009 excludes the effect of outstanding warrants and for the three months ended March 31, 2009 stock based incentive awards as these were anti dilutive.

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 charterer and sole 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, contracted and yet to be contracted vessel acquisitions including the two newbuildings to be purchased from German interests in the fourth quarter of 2010, 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 team'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 March 31, 2010	2009
Operating Revenues		
Time charter revenue	$ 39,151	$ 35,008
Operating Expenses		

Vessel operating expenses	9,592	10,722
Depreciation	9,871	8,786
General and administrative	1,836	2,140
Other operating (income)	(552)	(56)
Total operating expenses	20,747	21,592
Operating Income	18,404	13,416
Non Operating Income (Expense)		
Interest income	35	142
Interest expense	(5,856)	(4,654)
Realized and unrealized (loss) gain on interest rate derivatives	(9,274)	2,275
Income before Income Taxes	3,309	11,179
Income taxes	(28)	(26)
Net Income	$ 3,281	$ 11,153
Weighted average number of Class A common shares outstanding		
Basic	46,830,467	46,380,194
Diluted	46,937,546	46,380,194
Net Income in $ per Class A common share		
Basic	$ 0.07	$ 0.23
Diluted	$ 0.07	$ 0.23
Weighted average number of Class B common shares outstanding		
Basic and diluted	7,405,956	7,405,956
Net income in $ per Class B common share		
Basic and diluted	$ nil	$ 0.07

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	March 31, 2010	December 31, 2009
Assets		
Cash and cash equivalents	$ 41,356	$ 30,810
Restricted cash	3,026	3,026

Accounts receivable	7,130	7,838
Prepaid expenses	991	685
Other receivables	1,118	613
Deferred tax	336	285
Deferred financing costs	903	903
Total current assets	54,860	44,160
Vessels in operation	952,003	961,708
Vessel deposits	16,390	16,243
Other fixed assets	6	9
Deferred tax	189	161
Deferred financing costs	4,850	5,077
Total non-current assets	973,438	983,198
Total Assets	$ 1,028,298	$ 1,027,358
Liabilities and Stockholders' Equity		
Liabilities		
Intangible liability - charter agreements	$ 2,119	$ 2,119
Current portion of long term debt	79,500	68,300
Accounts payable	13	3,502
Accrued expenses	5,167	4,589
Derivative instruments	14,874	15,971
Total current liabilities	101,673	94,481
Long term debt	504,600	519,892
Preferred shares	48,000	48,000
Intangible liability - charter agreements	23,759	24,288
Derivative instruments	19,119	13,142
Total long-term liabilities	595,478	605,322
Total Liabilities	$ 697,151	$ 699,803
Commitments and contingencies	-	-
Stockholders' Equity		
Class A Common stock - authorized 214,000,000 shares with a $0.01 par value; 46,830,467 shares issued and outstanding	$ 468	$ 467
Class B Common stock - authorized 20,000,000 shares with a $0.01 par value;		

7,405,956 shares issued and outstanding	74	74
Retained deficit	(23,305)	(65,679)
Net income for the period	3,281	42,374
Additional paid in capital	350,629	350,319
Total Stockholders' Equity	331,147	327,555
Total Liabilities and Stockholders' Equity	$ 1,028,298	$ 1,027,358

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended March 31, 2010	2009
Cash Flows from Operating Activities		
Net income	$ 3,281	$ 11,153
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	9,871	8,786
Amortization of deferred financing costs	226	374
Change in fair value of certain derivative instruments	4,879	(4,309)
Amortization of intangible liability	(530)	(311)
Settlements of hedges which do not qualify for hedge accounting	4,395	2,034
Share based compensation	311	716
(Increase) decrease in other receivables and other assets	(195)	386
(Decrease) in accounts payable and other liabilities	(2,772)	(1,531)
Costs relating to drydocks	(164)	-
Unrealized foreign exchange loss	39	-
Net Cash Provided by Operating Activities	19,341	17,298
Cash Flows from Investing Activities		
Settlements of hedges which do not qualify for hedge accounting	(4,395)	(2,034)
Cash paid for purchases of vessels, vessel prepayments and vessel deposits	(308)	(580)
Net Cash (Used in) Investing Activities	(4,703)	(2,614)

Cash Flows from Financing Activities		
Repayments of debt	(4,092)	-
Issuance costs of debt	-	(3,293)
Dividend payments	-	(12,371)
Net Cash Used in Financing Activities	(4,092)	(15,664)
Net Increase (Decrease) in Cash and Cash Equivalents	10,546	(980)
Cash and Cash Equivalents at start of Period	30,810	26,363
Cash and Cash Equivalents at end of Period	$ 41,356	$ 25,383

FOR FURTHER INFORMATION PLEASE CONTACT:
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