Global Ship Lease Completes Strategic Combination with Poseidon Containers and Opportunistic Refinancings of a Portion of Poseidon Containers' Secured Debt

November 15, 2018

Doubles fleet size to 38 containerships and expands charter-adjusted fleet value to $1.3 billion while increasing net asset value per share by 52%

Expands contracted revenue to $720 million and further reduces leverage as a result of recent chartering and refinancing activity

Increases scale, reduces average fleet age by three years, enhances average vessel specification, and positions the Company to pursue growth and further deleveraging

LONDON, Nov. 15, 2018 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) ("GSL" or the "Company"), and Poseidon Containers Holdings LLC and K&T Marine LLC (together "Poseidon Containers"), announced today that they had (i) closed the previously announced stock-for-stock merger between the Company and Poseidon Containers and (ii) opportunistically refinanced $228.8 million of Poseidon Containers' secured bank debt, crystalizing a debt reduction of $48.2 million. The combined company will have a fleet of 38 vessels with a total capacity of 198,793 TEU, and, as of September 30, 2018, an average fleet age weighted by TEU of 10.7 years, and with the recently announced new charters, contracted revenue of approximately $720 million.

Closing of the Merger

All conditions precedent were met and the Company closed on its stock-for-stock merger with Poseidon Containers. Under the terms of the merger agreement, the Company issued 24.045 million shares of Class A common stock and 0.250 million shares of Series C perpetual preferred stock, which are convertible in limited circumstances into an aggregate of 103.642 million shares of Class A common stock. Affiliates of Kelso & Company L.P. are the sole holder of the convertible preferred stock, which is not entitled to any preferred dividend payments other than any dividend which might be payable to common shareholders and represents approximately 49.2% of the voting power and approximately 56.4% of the economic interest in the Company. In aggregate, the owners of Poseidon Containers own approximately 69.5% of the economic interest of the Company. The Board of Directors of Global Ship Lease was expanded to eight directors, of whom two were nominated by Poseidon, and three, including two independent directors, were nominated by GSL. The remaining three independent directors have been selected jointly.

The closing of the merger creates a market leader with an asset base of more than $1.3 billion, which the Company believes will allow it to capitalize on favorable market fundamentals in the mid-sized and smaller containership segments.

Ian Webber, Chief Executive Officer of Global Ship Lease, commented, "The completion of this transformational merger marks an important milestone in the evolution of Global Ship Lease. This transaction provides us with an attractive portfolio of assets, greatly enhanced financial and strategic flexibility, and preferential access to a highly capable, integrated platform. In addition, the closing of Poseidon Containers' refinancing prior to the closing of this transaction further reduces our pro forma leverage and adds significant net asset value beyond what was contemplated at the time of our original announcement. The additional equity value created through the merger transaction, including the refinancing and the new charters, results in a total net asset value per share increase of 52%, to $2.58."

George Youroukos, Executive Chairman of Global Ship Lease, concluded, "With a modern, 38-vessel fleet of mid-sized and smaller containerships, we are in a strong position to provide leading liner companies with greater scale and vessel diversity to best meet their exacting needs. Our balance of fixed rate, longer-term charters and short-to-medium-term charters provides us with a solid base of predictable cash flows, while still maintaining exposure to significant cash flow upside in a rising charter market. Driven by supportive market fundamentals and the expanded capabilities and commercial relationships of the enlarged Company, we are confident in the long-term prospects for our newly expanded fleet and believe that GSL is in an excellent position to take advantage of attractive growth opportunities, further reduce leverage, and create lasting value for all stakeholders."

Opportunistic Refinancing of a Portion of Poseidon Containers' Secured Bank Debt

Prior to closing the merger, Poseidon Containers opportunistically refinanced $228.8 million of its secured bank debt that is collateralized by three new eco-design, wide-beam 9,115 TEU vessels. The refinancing achieved a 21% debt reduction of $48.2 million for no consideration. The new secured credit facility is for $180.5 million and matures in June 2022.

As a result of the opportunistic refinancing and the previously announced new charters, and based on gross debt and annualized third quarter Adjusted EBITDA, financial leverage will be approximately 4.7 times or 4.2 times based on debt net of cash. Further, the combined Company's leverage is further reduced to 61% on a loan, net of cash, to charter-adjusted value basis.

Previously Announced New Charters

The Company previously announced that it has entered into the following new charters, materially improving its long-term cash flow visibility:

- Entered into five-year charters with CMA CGM for four 2013-built, 6,927 TEU containerships, *Mary*, *Kristina*, *Katherine* and *Alexandra*. The charters will deliver incremental annualized EBITDA of approximately $11.0 million compared to third quarter 2018 contracted rates. The new charter for *Mary* commenced recently, and the remaining three new charters will commence upon expiry of their existing charters during the first half of 2019. The new five-year charters are expected to generate total EBITDA of approximately $135 million over the five-year contract period.

- Entered into a new time charter with ANL, a wholly owned subsidiary of CMA CGM, for the 2003-built, 2,207 TEU containership, *GSL Keta* (formerly *Delmas Keta*). The new charter, commencing on or around November 20, 2018, is for a period of between seven and 10 months (at charterer's option) at a rate of $8,450 per day, up from $7,800 per day under the preceding charter.

- Exercised options to extend the existing charters of the 2002-built, 2,207 TEU *Marie Delmas* and *Kumasi* to CMA CGM through December 31, 2019, at a rate of $9,800 per day. The Company retains additional options, in its favor, to further extend both charters through 2020.

The Company's contracted revenue is approximately $720 million on a combined basis as of September 30, 2018. The enhanced long-term visibility through 2024 from contracted revenue and cash flow from new charters will strengthen GSL's balance sheet and contribute to further deleveraging, which, together with increased EBITDA, will drive improvements in financial leverage, financial flexibility and refinancing opportunities.

About Global Ship Lease

Global Ship Lease is a leading independent owner of containerships with a diversified and fuel-efficient fleet of containerships. 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 now owns 38 vessels ranging from 2,207 to 11,040 TEU, of which nine are Post-Panamax new-design eco wide beam, with a total capacity of 198,793 TEU and an average age, weighted by TEU capacity, of 10.7 years determined as at September 30, 2018.

The average remaining term of the charters at September 30, 2018 was 2.4 years on a weighted basis.

Safe Harbor Statement

This press release contains forward-looking statements. Forward-looking statements provide the Company's current expectations or forecasts of future events. Forward-looking statements include statements about the Company'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 the Company cannot assure you that the events or expectations 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, including the factors described in "Risk Factors" in the Company's Annual Report on Form 20-F and the factors and risks the Company describes in subsequent reports filed from time to time with the U.S. Securities and Exchange Commission. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this press release or to reflect the occurrence of unanticipated events.

Investor and Media Contact:
The IGB Group
Bryan Degnan
646-673-9701
or
Leon Berman
212-477-8438

GLOBAL SHIP LEASE

Source: Global Ship Lease, Inc.