November 2, 2017

Global Ship Lease Reports Results for the Third Quarter of 2017

LONDON, Nov. 02, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company"), a containership charter owner, announced today its unaudited results for the three months and nine months ended September 30, 2017.

Third Quarter and Year To Date Highlights

- Reported operating revenue of $41.2 million for the third quarter 2017. Revenue for the nine months ended September 30, 2017 was $121.1 million

- Reported net income available to common shareholders of $8.9 million for the third quarter 2017. For the nine months ended September 30, 2017, net income was $22.5 million

- Normalized net income [1] was $8.9 million for the third quarter 2017, the same as reported net income. Normalized net income was $23.0 million for the nine months ended September 30, 2017

- Generated $29.3 million of Adjusted EBITDA[1] for the third quarter 2017. Adjusted EBITDA for the nine months ended September 30, 2017 was $85.4 million

- Agreed on September 11, 2017 with CMA CGM to extend the charters on two of our 2,207 TEU containerships, the 2002-built *Julie Delmas* and the 2003-built *Delmas Keta*, by 12 months (plus or minus 45 days at the charterer's option) at a fixed rate of $7,800 per vessel per day, commencing September 11, 2017 and September 20, 2017, respectively

- Agreed on October 19, 2017 a new time charter with CMA CGM for the 2005-built *OOCL Tianjin*, which will be renamed *GSL Tianjin,* an 8,063 TEU containership. The charter is for a period of three to eight months (at the charterer's option) at a fixed rate of $13,000 per day, which commenced on October 25, 2017, immediately upon re-delivery from its previous charter

- On October 31, 2017, closed the previously announced offering of $360 million aggregate principal amount of 9.875% first priority secured notes due 2022. The net proceeds, together with borrowings under a new $54.8 million super senior secured term loan facility and cash on hand, are to be used to refinance our existing 10.000% notes due 2019. In addition, all outstanding borrowings under both the existing revolving credit facility and the existing secured term loan have been repaid and terminated

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "Throughout the third quarter of 2017, we continued to operate our fleet of 18 mid-sized and smaller containerships on stable, fixed rate time-charter contracts with top-tier liner companies, delivering highly consistent cash flows, as we have throughout our history. With an excellent record of operational performance and against a background of improving fundamentals for mid-sized and smaller containerships, we are pleased to have successfully extended or renewed charters on three vessels with no down-time, thereby securing continued employment for our entire fleet on profitable terms throughout the quieter winter period."

Mr. Webber continued, "We remain optimistic that a recovery in fundamentals, albeit subject to some seasonality, will continue to support a firming of the charter market for mid-sized and smaller vessels. Vessel ordering in these size segments remains very limited, scrapping activity is positive, and demand growth in the trade lanes dependent on this tonnage is robust. With strong indications of a cyclical recovery, we successfully refinanced all of our existing debt on a long-term basis and on improved terms. Our enhanced balance sheet, a high-quality fleet, multiple years of contracted revenue, and an increasingly attractive market environment provide us with an opportunity to create substantial shareholder value by pursuing attractive acquisitions of vessels, always with a charter, whilst continuing to de-lever."

SELECTED FINANCIAL DATA — UNAUDITED *(thousands of U.S. dollars)*

	Three	Three	**Nine months**	Nine months

	months ended September 30, 2017	months ended September 30, 2016	**ended September 30, 2017**	ended September 30, 2016
Operating Revenue	**41,216**	41,154	**121,117**	125,097
Operating Income (Loss)	**19,894**	(11,884)	**56,859**	24,422
Net Income (Loss) for Common Shareholders	**8,878**	(23,685)	**22,496**	(13,085)
Adjusted EBITDA (1)	**29,340**	28,051	**85,446**	86,169
Normalised Net Income (1)	**8,878**	5,240	**23,016**	16,301

(1) Adjusted EBITDA and Normalized net income (loss) 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, mainly long-term time charters of $41.2 million in the three months ended September 30, 2017, the same as in the comparative period in 2016, with a small reduction in revenue as a consequence of the amendments to the charters of *Marie Delmas* and *Kumasi* whereby the day rate stepped down on August 1, 2016 and again in mid-September 2017, offset by reduced levels of offhire. There were 1,656 ownership days in the quarter, the same as in the comparable period in 2016. In the third quarter 2017, there was no offhire, giving an overall utilization of 100.0%. In the comparable 2016 period, there was no unplanned offhire and 38 days of planned offhire from regulatory drydockings, giving an overall utilization of 97.7%.

For the nine months ended September 30, 2017, revenue was $121.1 million, down $4.0 million from revenue of $125.1 million in the comparative period of 2016, mainly due to the amendments to the charters of *Marie Delmas* and *Kumasi*.

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

	Three months ended		Nine months ended					
Days	Sept 30, 2017	Sept 30, 2016	Sept 30, 2017	Sept 30, 2016	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Ownership days	1,656	1,656	4,914	4,932	6,588	6,893	6,270	6,205
Planned offhire - scheduled drydock	0	(38)	(62)	(89)	(100)	(9)	(48)	(21)
Unplanned offhire	0	0	(30)	(2)	(3)	(7)	(12)	(7)
Idle time	0	0	0	0	0	(13)	(64)	0
Operating days	1,656	1,618	4,822	4,841	6,485	6,864	6,146	6,177
Utilization	100.0%	97.7%	98.1%	98.2%	98.4%	99.6%	98.0%	99.5%

In the three months ended September 30, 2017, there were no regulatory dry-dockings. There have been a total of four such dry-dockings year to date. One further regulatory dry-docking, previously scheduled for late 2017, has been deferred to early 2018. Three dry-dockings were completed in the three months ended September 30, 2016. There were a total of six dry-dockings in 2016.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $10.6 million for the three months ended September 30, 2017, compared to $11.8 million in the comparative period. The average cost per ownership day in the quarter was $6,401, compared to $7,103 for the comparative period, down $702 per day or 9.9%. The reduction is primarily attributable to reduced cost of lubricating oil, the timing of spend on repairs and maintenance, lower insurance costs on renewal and lower costs incurred in dry-dockings that are expensed rather than capitalized.

For the nine months ended September 30, 2017, vessel operating expenses were $31.9 million or an average of $6,487 per day, compared to $34.5 million in the comparative period or $6,991 per day. The $504, or 7.2%, reduction in vessel operating expenses per day is due mainly to reasons noted above.

Depreciation

Depreciation for the three months ended September 30, 2017 was $9.4 million, compared to $10.6 million in the third quarter 2016, with the reduction being due to the effect of lower book values for a number of vessels following impairment write downs taken in the third and fourth quarters 2016.

Depreciation for the nine months ended September 30, 2017 was $28.6 million, compared to $32.4 million in the comparative period of 2016, with the reduction being due to the reason noted above.

Impairment

The Company's accounting policies require that tangible fixed assets such as vessels are reviewed individually for impairment in case of trigger events or changes in circumstances to assess whether their carrying amounts are recoverable.

In September 2017, the Company agreed with CMA CGM to extend the charters on *Julie Delmas* and *Delmas Keta*, by 12 months (plus or minus 45 days at the charterer's option) at a fixed rate of $7,800 per vessel per day, commencing September 11, 2017 and September 20, 2017 respectively. These extensions triggered the performance of an impairment test on the two vessels. No impairment was identified.

In third quarter 2016, the Company agreed with CMA CGM to amend and extend the charters of the *Marie Delmas* and *Kumasi*. These amendments triggered the performance of an impairment test on the two vessels as at August 1, 2016 resulting in a non-cash impairment charge of $29.4 million being recognized in the quarter ended September 30, 2016 as the sum of the expected undiscounted future cash flows from these assets over their estimated remaining useful lives was less than the carrying amounts. The impairment charge is equal to the amount by which the assets' carrying amounts exceed their fair values. Fair value is the net present value of estimated future cash flows discounted by an appropriate discount rate.

General and Administrative Costs

General and administrative costs were $1.3 million in the three months ended September 30, 2017, compared to $1.4 million in the third quarter of 2016.

For the nine months ended September 30, 2017, general and administrative costs were $3.8 million, compared to $4.6 million for the comparative period in 2016. The reduction is due to lower staff costs and professional fees.

Other Operating Income

Other operating income in the three months ended September 30, 2017 was $2,000, compared to $32,000 in the third quarter of 2016.

For the nine months ended September 30, 2017, other operating income was $50,000, compared to $175,000 in the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was $29.3 million for the three months ended September 30, 2017, up from $28.1 million for the three months ended September 30, 2016 as lower vessel operating costs and general and administrative costs offset lower revenue, mainly from the amendments to the charters of *Marie Delmas* and *Kumasi*.

Adjusted EBITDA for the nine months ended September 30, 2017 was $85.4 million, compared to $86.2 million for the comparative period.

Interest Expense

Debt at September 30, 2017 comprised amounts outstanding on our 2019 notes, our revolving credit facility and our secured term loan.

Interest expense for the three months ended September 30, 2017, was $10.4 million, down $0.7 million on the interest expense for the three months ended September 30, 2016 of $11.1 million. The reduction is mainly due to reduced interest on our notes on lower amounts outstanding.

For the nine months ended September 30, 2017, interest expense was $32.4 million. For the nine months ended September 30, 2016, interest expense was $35.3 million. The decrease is mainly due to lower amounts outstanding on our notes.

Interest income for the three months ended September 30, 2017 was $152,000, up from $57,000 in the comparative period of 2016 due to higher cash balances. Interest income for the nine months ended September 30, 2017 was $335,000 compared to $139,000 in the comparative period.

Re-financing

On October 31, 2017, we closed the previously announced offering of $360.0 million aggregate principal amount of 9.875% first priority secured notes due 2022. The net proceeds, together with cash on hand, are to be used to refinance the existing 10.000% notes due 2019. In addition, we have agreed a new super senior secured term loan facility of $54.8 million with a maximum term of three years and bearing interest at LIBOR plus 3.25%, which was drawn on October 31, 2017, the net proceeds of which, together with cash on hand, have been used to repay outstanding borrowings under both the existing revolving credit facility and the existing secured term loan, which have now been terminated.

Taxation

Taxation for the three months ended September 30, 2017 was $15,000, compared to $17,000 in the third quarter of 2016.

Taxation for the nine months ended September 30, 2017 was $31,000, compared to $32,000 for the comparative period in 2016.

Earnings Allocated to Preferred Shares

The Series B Preferred Shares carry a coupon of 8.75%, the cost of which for the three months ended September 30, 2017 was $0.8 million, the same as in the comparative period.

The cost in the nine months ended September 30, 2017 was $2.3 million, the same as in the comparative period.

Net Income (Loss) Available to Common Shareholders

Net income available to common shareholders for the three months ended September 30, 2017 was $8.9 million. Net loss for the three months ended September 30, 2016 was $23.7 million, after the non-cash impairment charge of $29.4 million related to the *Marie Delmas* and *Kumasi.*

Normalized net income, which excludes, where relevant, the effect of any non-cash impairment charges, gains and losses on the purchase of notes and accelerated amortization of deferred financing charges and original issue discount consequent upon the retirement of Notes, was $8.9 million for the three months ended September 30, 2017 (the same as reported), compared to $5.2 million for the three months ended September 30, 2016.

Net income was $22.5 million for the nine months ended September 30, 2017. Net loss was $13.1 million for the nine months ended September 30, 2016 after the $29.4 million non-cash impairment charge associated with *Marie Delmas* and *Kumasi*.

Normalized net income was $23.0 million for the nine months ended September 30, 2017 and was $16.3 million for the nine months ended September 30, 2016.

Fleet

The following table provides information about the on-the-water fleet of 18 vessels. 16 vessels are chartered to CMA CGM, and two to OOCL.

Vessel Name	**Capacity in TEUs (1)**	**Year Built**	**Purchase by GSL**	**Remaining Charter Term (2) (years)**	**Earliest Charter Expiry Date**	**Daily Charter Rate $**
CMA CGM Matisse	2,262	1999	Dec 2007	2.2	Sept 21, 2019	15,300

CMA CGM Utrillo	2,262	1999	Dec 2007	2.2	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	1.0[(3)]	Aug 6, 2018	7,800
Julie Delmas	2,207	2002	Dec 2007	0.9[(3)]	Jul 28, 2018	7,800
Kumasi	2,207	2002	Dec 2007	1.3 - 3.3[(4)]	Nov 16, 2018	9,800
Marie Delmas	2,207	2002	Dec 2007	1.3 - 3.3[(4)]	Nov 16, 2018	9,800
CMA CGM La Tour	2,272	2001	Dec 2007	2.2	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	2.2	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	3.3	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	3.3	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	8.3	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	5.2	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	5.2	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	5.2	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	3.9	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	0.5[(5)]	Jan 25, 2018[(5)]	13,000[(5)]
OOCL Qingdao	8,063	2004	Mar 2015	0.6	Mar 11, 2018	34,500
OOCL Ningbo	8,063	2004	Sep 2015	1.1	Sep 17, 2018	34,500

(1) Twenty-foot Equivalent Units.

(2) As at September 30, 2017 to mid-point of re-delivery period and adjusted for OOCL Tianjin as per footnote (5) below. Plus or minus 90 days, other than (i) OOCL Tianjin (to be renamed GSL Tianjin) which is between January 25, 2018 and June 25, 2018, (ii) OOCL Qingdao which is between March 11, 2018 and June 11, 2018, and (iii) OOCL Ningbo which is between September 17, 2018 and December 17, 2018, all at charterer's option and (iv) Julie Delmas and Delmas Keta (see note 3 below).

(3) The charters for *Julie Delmas and Delmas Keta were extended in September 2017 by 12 months (plus or minus 45 days at the charterer's option) at a fixed rate of $7,800 per vessel per day, commencing on September 11, 2017 and September 20, 2017, respectively.*

(4) The charters for Kumasi and Marie Delmas were amended in July 2016 to, inter alia, provide us with three consecutive options to extend the charters at $9,800 per day. The first of these options was exercised in July 2017, extending the charters to end 2018. The two remaining options allow us to extend the charters to December 31, 2020 plus or minus 90 days at charterer's option. The earliest possible re-delivery date, not taking into account our remaining options, is shown in the table.

(5) A new time charter for OOCL Tianjin, to be renamed GSL Tianjin, with CMA CGM commenced October 25, 2017, immediately upon re-delivery from its previous charter to OOCL, at a fixed rate of $13,000 per day. The vessel is chartered for a period of three to eight months at the 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 September 30, 2017 today, Thursday November 2, 2017 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 6299768
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, November 18, 2017 at (855) 859-2056 or (404) 537-3406. Enter the code 6299768 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

The Company's Annual Report for 2016 is on file 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 18 vessels with a total capacity of 82,312 TEU and an average age, weighted by TEU capacity, at September 30, 2017 of 12.8 years. All 18 vessels are currently fixed on time charters, 16 of which are with CMA CGM. The average remaining term of the charters at September 30, 2017 is 3.0 years or 3.3 years on a weighted basis, taking into account the new charter agreed for *OOCL Tianjin*.

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, earnings allocated to preferred shares, income taxes, depreciation, amortization and impairment. 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 Sept 30, 2017	Three months ended Sept 30, 2016	Nine months ended Sept 30, 2017	Nine months ended Sept 30, 2016
Net income (loss) available to common shareholders		8,878	(23,685)	22,496	(13,085)
Adjust:	Depreciation	9,446	10,578	28,587	32,390
	Impairment	---	29,357	---	29,357
	Interest income	(152)	(57)	(335)	(139)
	Interest expense	10,387	11,075	32,370	35,317
	Income tax	15	17	31	32
	Earnings allocated to preferred shares	766	766	2,297	2,297
Adjusted EBITDA		29,340	28,051	85,446	86,169

B. Normalized net income

Normalized net income represents net income adjusted for the premium paid on the tender offer together with the related accelerated amortization of deferred financing costs and original issue discount. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items that do not affect operating performance or operating cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to net income or any other financial metric required by such accounting principles.

Normalized net income represents Net income (loss) adjusted for the unrealized gain (loss) on derivatives, the accelerated write off of a portion of deferred financing costs, impairment charges and gain of redemption of preferred shares. 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 (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, 2017	Three months ended Sept 30, 2016	Nine months ended Sept 30, 2017	Nine months ended Sept 30, 2016
Net income (loss) available to common shareholders		8,878	(23,685)	22,496	(13,085)
Adjust:	Gain on purchase of notes	---	(475)	---	(927)
	Premium paid on tender offer for notes	---	---	390	533
	Accelerated write off of deferred financing charges related to notes purchase and tender offer	---	10	61	100
	Accelerated write off of original issue discount related to notes purchase and tender offer	---	33	69	323
	Impairment charge	---	29,357	---	29,357
Normalized net income		8,878	5,240	23,016	16,301

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 our charterers, particularly CMA CGM, our principal charterer and main source of operating revenue, and their 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 facilities;
- 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,	
	2017	**2016**	**2017**	**2016**
Operating Revenues				
Time charter revenue	$ 9,444	$ 9,444	$ 28,022	$ 28,123
Time charter revenue — related party	31,772	31,710	93,095	96,974
	41,216	41,154	121,117	125,097
Operating Expenses				
Vessel operating expenses	10,200	11,362	30,678	33,282
Vessel operating expenses — related party	400	400	1,200	1,199
Depreciation	9,446	10,578	28,587	32,390
Impairment of vessels	-	29,357	-	29,357
General and administrative	1,278	1,373	3,843	4,622
Other operating income	(2)	(32)	(50)	(175)
Total operating expenses	21,322	53,038	64,258	100,675
Operating Income	19,894	(11,884)	56,859	24,422
Non Operating Income (Expense)				
Interest income	152	57	335	139
Interest expense	(10,387)	(11,075)	(32,370)	(35,317)

Income / (Loss) before Income Taxes	9,659	(22,902)	24,824	(10,756)
Income taxes	(15)	(17)	(31)	(32)
Net Income	$ 9,644	$ (22,919)	$ 24,793	$ (10,788)
Earnings allocated to Series B Preferred Shares	(766)	(766)	(2,297)	(2,297)
Net Income available to Common Shareholders	$ 8,878	$ (23,685)	$ 22,496	$ (13,085)
Earnings per Share				
Weighted average number of Class A common shares outstanding				
Basic (including RSUs without service conditions)	47,975,609	47,858,640	47,975,609	47,850,139
Diluted	47,975,609	47,858,640	47,975,609	47,850,139
Net income per Class A common share				
Basic (including RSUs without service conditions)	$ 0.19	$ (0.49)	$ 0.47	$ (0.27)
Diluted	$ 0.19	$ (0.49)	$ 0.47	$ (0.27)
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 per Class B common share				
Basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	September 30, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 65,562	$ 54,243
Accounts receivable	166	29
Due from related party	1,065	906
Prepaid expenses	2,614	1,146
Other receivables	191	52
Inventory	629	553
Total current assets	70,227	56,929
Vessels in operation	694,638	719,110
Other fixed assets	12	7
Intangible assets	9	16

Other long term assets	112	195
Total non-current assets	694,771	719,328
Total Assets	$ 764,998	$ 776,257
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long term debt	25,755	31,026
Intangible liability — charter agreements	1,779	1,807
Deferred revenue	2,848	1,940
Accounts payable	452	963
Due to related party	1,555	1,315
Accrued expenses	3,491	11,664
Total current liabilities	35,880	48,715
Long term debt	369,255	388,847
Intangible liability — charter agreements	8,454	9,782
Deferred tax liability	20	20
Total long term liabilities	377,729	398,649
Total Liabilities	$ 413,609	$ 447,364
Commitments and contingencies	-	-
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,575,609 shares issued and outstanding (2016 — 47,575,609)	$ 476	$ 476
Class B Common stock — authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding (2016 — 7,405,956)	74	74
Series B Preferred shares — authorized 16,100 shares with $0.01 par value; 14,000 shares issued and outstanding (2016 — 14,000)	-	-
Additional paid in capital	386,708	386,708
(Accumulated deficit)	(35,869)	(58,365)
Total Stockholders' Equity	351,389	328,893
Total Liabilities and Stockholders' Equity	$ 764,998	$ 776,257

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Cash Flows from Operating Activities				
Net income / (Loss)	$ 9,644	$ (22,919)	$ 24,793	$ (10,788)
Adjustments to Reconcile Net income to Net Cash Provided by Operating Activities				
Depreciation	9,446	10,578	28,587	32,390
Vessel impairment	-	29,357	-	29,357
Amortization of deferred financing costs	838	909	2,613	2,681
Amortization of original issue discount	258	333	883	1,249
Amortization of intangible liability	(452)	(530)	(1,356)	(1,589)
Share based compensation	-	85	-	200
Gain on repurchase of secured notes	-	(475)	-	(927)
Decrease (increase) in accounts receivable and other assets	(1,706)	(64)	(1,905)	(462)
Decrease (increase) in inventory	46	(54)	(75)	20
Increase (decrease) in accounts payable and other liabilities	(7,747)	(9,796)	(8,495)	(11,081)
(Decrease) increase in unearned revenue	150	1,119	908	911
Increase in related party balances	45	374	673	1,437
Unrealized foreign exchange (gain) loss	-	21	6	(7)
Net Cash Provided by Operating Activities	10,522	8,938	46,632	43,391
Cash Flows from Investing Activities				
Cash paid for vessel improvements	-	-	(100)	-
Cash paid in respect of sale of vessels	-	-	-	(254)
Cash paid for other assets	-	(5)	(8)	(6)
Cash paid for drydockings	(701)	(3,220)	(4,632)	(4,168)
Net Cash Used in Investing Activities	(701)	(3,225)	(4,740)	(4,428)
Cash Flows from Financing Activities				
Repurchase of secured notes	-	(4,526)	(19,501)	(34,936)
Proceeds from drawdown of revolving credit facility	-	-	-	-
Deferred financing costs incurred	-	-	-	-
Repayment of credit facilities	(2,925)	(1,925)	(8,775)	(6,575)
Series B Preferred Shares — dividends paid	(766)	(766)	(2,297)	(2,297)
Net Cash Used in Financing Activities	(3,691)	(7,217)	(30,573)	(43,808)
Net Increase (decrease) in Cash and Cash Equivalents	6,130	(1,504)	11,319	(4,845)
Cash and Cash Equivalents at Start of Period	59,432	50,250	54,243	53,591
Cash and Cash Equivalents at End of Period	$ 65,562	$ 48,746	$ 65,562	$ 48,746
Supplemental information				
Total interest paid	$ 18,313	$ 20,021	$ 37,991	$ 42,253
Income tax paid	$ 12	$ 11	$ 36	$ 37

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