



## **SEASPAN TRANSACTIONS ELIMINATE REMAINING EQUITY NEEDS FOR NEWBUILD PROGRAM AND ENHANCE FINANCIAL FLEXIBILITY**

**HONG KONG, CHINA - Oct. 22, 2010 /CNW/ - Seaspan Corporation**

**(NYSE:SSW)** announced today that it has signed two financing transactions that position the Company to fully finance its built-in fleet growth and increase its financial flexibility.

On October 21, 2010, the Company entered into a twelve-year sale and leaseback financing for up to \$150 million for one of its 13100 TEU container vessels ordered from Hyundai Heavy Industries Co., Ltd. Under the terms of the transaction, including certain closing conditions, the vessel will be sold by the Company upon delivery to an affiliate of Crédit Agricole Corporate and Investment Bank and will charter the vessel to a newly formed, wholly owned subsidiary of Seaspan Corporation. The Company will charter the vessel from its subsidiary and continue to time charter the vessel to COSCO Container Lines Co., Ltd. in accordance with the terms of the original twelve-year time charter. The subsidiary's financial indebtedness under the charter is non-recourse to Seaspan Corporation.

On October 21, 2010, a subsidiary of Seaspan Corporation amended its \$400 million UK Tax Lease Facility with an affiliate of Lloyds Banking Group. Under the original terms of the lease, all of the obligations of the Company's subsidiary under the lease were guaranteed by Seaspan Corporation. Under the terms of the amended lease facility, Seaspan Corporation's guarantee of scheduled rental and termination amounts, based on current tax and other assumptions, are limited to a significantly reduced fixed amount of the subsidiary's obligations. The lease facility will continue to provide the financing for five 4500 TEU vessels, each of which is to commence a twelve-year time charter with Kawasaki Kisen Kaisha Ltd. ("K-Line") upon delivery.

Gerry Wang, Chief Executive Officer of Seaspan, said, "We expect that these latest financing transactions will enable Seaspan to fully finance its newbuilding commitments without the need to issue additional equity and will further strengthen its capital structure. Over the past two years, management has worked diligently to finance the Company's robust growth. We believe that these proactive measures in exploring various financing alternatives and entering into favourable transactions will benefit the long-term interests of shareholders."

Mr. Wang added, "The ongoing support that we have received from world-class banks to secure financing at competitive rates highlights the strength of Seaspan's business model and underscores the Company's future prospects. As we take delivery of our remaining newbuildings over the next 18 months and significantly grow our cash flows, we intend on continuing to increase our financial strength and flexibility. We may consider subsequent equity issuances for future growth if it meets our strict return requirements."

About Seaspan

Seaspan owns containerhips and charters them pursuant to primarily long-term fixed-

rate charters. Seaspan's contracted fleet of 69 containerships consists of 53 containerships in operation and 16 containerships to be delivered over approximately the next 18 months. Seaspan's operating fleet of 53 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. All of the 16 vessels to be delivered to Seaspan are already committed to primarily long-term time charters averaging approximately 12 years in duration from delivery. Seaspan's customer base consists of eight of the world's largest liner companies, including A.P. Møller-Maersk A/S, China Shipping Container Lines (Asia) Co., Ltd., Compañía Sud Americana de Vapores, COSCO Container Lines Co., Ltd., Hapag-Lloyd USA, LLC, Kawasaki Kisen Kaisha Ltd., Mitsui O.S.K. Lines, Ltd., and United Arab Shipping Company.

## **FORWARD-LOOKING STATEMENTS**

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and our operations, performance and financial condition, including, in particular, the likelihood of our success in developing and expanding our business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "projects", "forecasts", "will", "may", "potential", "should", and similar expressions are forward-looking statements. These forward-looking statements reflect management's current views only as of the date of this presentation and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this release. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties.

These risks and uncertainties include, but are not limited to: future operating or financial results; our expectations relating to dividend payments and our ability to make such payments; pending acquisitions, business strategy and expected capital spending; operating expenses, availability of crew, number of off-hire days, dry-docking requirements and insurance costs; general market conditions and shipping market trends, including charter rates and factors affecting supply and demand; our financial condition and liquidity, including our ability to borrow funds under our credit facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities; estimated future capital expenditures needed to preserve our capital base; our expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of our ships; our continued ability to enter into primarily long-term, fixed-rate time charters with our customers; our ability to leverage to our advantage Seaspan Management Services Limited's relationships and reputation in the containership industry; changes in governmental rules and regulations or actions taken by regulatory authorities; the financial condition of our shipyards, charterers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us; changes in worldwide container demand; changes in trading patterns; competitive factors in the markets in which we operate; potential inability to implement our growth strategy; potential for early termination of long-term contracts and our potential inability to renew or replace long-term contracts; ability of our customers to make charter payments; potential liability from future litigation; conditions in the public equity markets; and other factors detailed from

time to time in our periodic reports and our filings with the Securities and Exchange Commission. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. We make no prediction or statement about the performance of our common shares.

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