



## **SEASPAN REPORTS FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008**

### **Secures \$526.5 Million Bank Financing and Completes \$228 Million Equity Offering to Increase Capacity for Growth During Six Month Period**

HONG KONG, CHINA - July 30, 2008 /CNW/ - Seaspan Corporation (NYSE:SSW) announced today the financial results for the three and six months ended June 30, 2008.

#### **Second Quarter 2008 and Year-to-Date Highlights:**

- Paid a first quarter dividend of \$0.475 per share on May 12, 2008 to all shareholders of record as of May 2, 2008;
- Declared a second quarter dividend of \$0.475 per share to be paid on August 15, 2008 to all shareholders of record as of August 6, 2008;
- Generated \$32.9 million in cash available for distribution(1) for the quarter, an increase of 17.9%, or \$5.0 million from \$27.9 million for the prior year's quarter. Cash available for distribution increased by 25.9%, or \$13.5 million to \$65.4 million for the six month period compared to \$51.9 million for the comparable period last year;
- Reported increased normalized net earnings(2), by \$3.7 million, or 23.8%, to \$19.3 million for the quarter from \$15.6 million for the comparable prior year's quarter. Normalized net earnings adjusts for a deduction of non-cash unrealized gains from non-designated interest rate swaps, an add back of reported interest expense and a deduction for interest expense on operating debt at hedged rate. Normalized net earnings increased by \$8.4 million, or 29.4%, to \$36.8 million for the six month period from \$28.4 million for the comparable period last year.
- Reported normalized earnings per share(2) of \$0.30 for the quarter which is consistent with the comparable quarter last year, and reported increased normalized earnings per share by \$0.03, or 5.3%, to \$0.60 for the six month period from \$0.57 for the comparable period last year.
- Reported net earnings of \$85.3 million and \$47.7 million for the three and six months ended June 30, 2008, respectively.
- Reported earnings per share of \$1.32 and \$0.78 for the three and six months ended June 30, 2008, respectively.
- Reported revenue of \$54.9 million and \$109.1 million for the three and six months ended June 30, 2008, respectively.
- Raised approximately \$228 million in net proceeds from the April follow-on offering of our common stock. This equity offering pre-funded a portion of our newbuild fleet to be delivered in the future and increased our capacity for growth.

- Entered into a \$291.2 million credit facility agreement with Fortis Bank S.A./N.V., New York Branch and The Export-Import Bank of Korea;
- Entered into a \$235.3 million credit facility agreement with Sumitomo Mitsui Banking Corporation and others;
- Adopted a Dividend Reinvestment Plan (DRIP); and
- Accepted delivery of the first of six newbuild vessels scheduled for delivery in 2008.

Gerry Wang, Chief Executive Officer of Seaspan, stated, "During the first half and three month period ended June 30, 2008, Seaspan continued to post strong operating results while further growing the fleet with the delivery of our thirtieth vessel. The Company increased cash available for distribution by 17.9% to \$32.9 million for the three months ended June 30, 2008 and 25.9% to \$65.4 million for the six month period. Complementing these results, we took important steps to strengthen our financial position for future growth. We completed a \$228 million equity offering and secured \$526.5 million in bank financing during a challenging environment, highlighting the strength of the Company's resilient business model. As we have done since our initial public offering, we continue to apply strict return requirements and actively evaluate growth opportunities. With excess debt capacity of \$850 million and continued access to the credit markets, we remain well positioned for growth despite broader credit market issues."

Three and Six Months Financial Summary (dollars in thousands):

Three months ended June 30,				
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Change				
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2008	2007	\$	%	
-----	-----	-----	-----	
Reported net earnings	\$ 85,327	\$ 33,522	\$ 51,805	154.5%
Normalized net earnings(2)	19,310	15,599	3,711	23.8%
Earnings per share	1.32	0.65	0.67	103.1%
Normalized earnings per share(2)	0.30	0.30	0.00	0.0%

Six months ended June 30,				
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Change				
-----				
2008	2007	\$	%	
-----	-----	-----	-----	
Reported net earnings	\$ 47,663	\$ 48,249	\$ (586)	(1.2%)
Normalized net earnings(2)	36,805	28,448	8,357	29.4%
Earnings per share	0.78	0.97	(0.19)	(19.6%)
Normalized earnings per share				

share(2)                      0.60      0.57      0.03      5.3%

## Results for the Three and Six Months Ended June 30, 2008:

### Revenue

Revenue increased by 12.4%, or \$6.0 million, to \$54.9 million for the quarter ended June 30, 2008, from \$48.9 million for the comparable quarter last year. The increase was due to three vessel deliveries subsequent to the quarter ended June 30, 2007. These deliveries include the COSCO Yingkou, CSCL Long Beach, and CSCL Panama. Expressed in vessel operating days, our primary revenue driver, these three vessels contributed \$5.6 million in additional revenue or 230 of the 2,656 operating days in the quarter.

	Three Months Ended June 30, Increase				Six Months Ended June 30, Increase			
	2008	2007	Days	%	2008	2007	Days	%
Operating days	2,656	2,404	252	10.5%	5,268	4,457	811	18.2%
Ownership days	2,687	2,405	282	11.7%	5,326	4,501	825	18.3%

Operating days increased by 10.5%, or 252 days, to 2,656 days for the quarter ended June 30, 2008 from 2,404 operating days for the comparable quarter last year. We incurred 31 days of net off-hire for the quarter, which impacted revenue by \$0.6 million. Most of the off-hire was due to the repair and advanced dry-docking of the CSCL Hamburg. The CSCL Hamburg was damaged in a collision with a bulk carrier in March 2008. The collision did not result in environmental damage or loss of life and repairs will likely be covered by insurance, subject to the payment of deductibles. The CSCL Hamburg was subsequently off-hire for waiting time at the repair yard and the repair of damage sustained to the vessel from the collision. The vessel also incurred additional off-hire for an advanced dry-docking that took place in conjunction with the repairs. Although the CSCL Hamburg was not expected to undergo its next scheduled 5-year survey until 2011, the Company chose to combine the repairs with an earlier dry-docking to achieve savings and defer the next scheduled dry-dock to 2013. Vessel utilization was 98.8% for the quarter ended June 30, 2008, compared to 99.9% for the comparable quarter last year.

For the six months ended June 30, 2008, revenue increased by 21.1%, or \$19.0 million, to \$109.1 million from \$90.1 million for the comparable period last year. The increase was mainly attributable to the addition to our fleet of three vessels which contributed 412 of the 5,268 operating days for the six month period ended. Operating days increased by 18.2%, or 811 days, to 5,268 days for the six months ended June 30, 2008 from 4,457 operating days for the comparable period last year. We incurred 58 days of net off-hire for

the six months ended June 30, 2008, impacting revenue by \$1.1 million. Most of the off-hire was due to the repair and advanced dry-docking of the CSCL Hamburg. Vessel utilization was 98.9% for the six months ended June 30, 2008, compared to 99.0% for the comparable period last year and life to date vessel utilization of 99.1% since our initial public offering.

### Ship Operating Expense

Ship operating expense increased by 14.1%, or \$1.6 million, to \$12.7 million for the quarter ended June 30, 2008, from \$11.2 million for the comparable quarter last year. Ship operating expense increased by 21.2%, or \$4.4 million, to \$25.3 million for the six months ended June 30, 2008, from \$20.9 million for the comparable period last year. The increase was due to the addition of three vessels to our fleet, which are based on fixed daily operating rates for each vessel. Stated in ownership days, our primary driver for ship operating expense, these three deliveries contributed an additional 230 of the 2,687 and 412 of 5,326 ownership days, respectively, for the three and six months ended June 30, 2008.

### Depreciation

Depreciation expense increased by 14.0%, or \$1.7 million, to \$13.9 million for the quarter ended June 30, 2008, from \$12.2 million for the comparable quarter last year. Depreciation expense increased by 21.7%, or \$4.9 million, to \$27.7 million for the six months ended June 30, 2008, from \$22.7 million for the comparable period last year. The increase was due to the increase in number of ownership days from the deliveries since June 30, 2007.

### General and Administrative Expenses

General and administrative expenses increased by 44.2%, or \$0.7 million, to \$2.1 million for the quarter ended June 30, 2008, from \$1.5 million for the comparable quarter last year. The increase was due mainly to \$0.4 million in share based compensation and \$0.3 million in growth supporting costs for investor relations and professional services. General and administrative expenses increased by 39.2%, or \$1.1 million, to \$4.0 million for the six months ended June 30, 2008, from \$2.8 million for the comparable period last year. Of the \$1.1 million, approximately \$0.8 million is share-based compensation expense and \$0.2 million is professional fees for accounting and legal services.

### Interest Expense

Interest expense increased by 17.2%, or \$1.5 million, to \$10.1 million for the quarter ended June 30, 2008, from \$8.6 million for the comparable quarter last year. Interest expense increased by 23.4%, or \$3.5 million, to \$18.7 million for the six months ended June 30, 2008, from \$15.1 million for the comparable period last year. Interest expense is composed of interest incurred on debt for operating vessels and interest amounts incurred on non-designated fixed interest rate swaps for newbuilds for which the related variable interest is capitalized.

### Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a gain of \$71.0 million for the

quarter ended June 30, 2008 compared to a gain of \$18.5 million for the comparable quarter last year. The change in fair value of financial instruments resulted in a gain of \$17.2 million for the six months ended June 30, 2008 compared to a \$20.0 million gain for the comparable period last year. The fair value of our undesignated interest rate swaps increased due to increases in the forward LIBOR rate curves. Change in fair value of financial instruments is a required accounting adjustment under financial reporting standards. At the end of each reporting period, we must record a mark-to-market adjustment for our interest rate swap agreements as though the instruments were realized as of the reporting date. There is no impact on our operating performance or ability to distribute cash to shareholders from the impact of the mark-to-market accounting adjustments. The change in fair value from the unrealized non-cash mark-to-market accounting adjustments are specifically excluded by our banks for our debt covenant calculations and have no impact on security requirements for our debt.

The accounting adjustments appear in the following locations in the financial statements:

- 1) Statement of Comprehensive Income - For interest rate swaps for which the Company has designated as a hedge under the technical accounting requirements for hedge accounting, an amount is included in "Other Comprehensive Income" that approximates the adjustment in fair market value.
- 2) Statement of Operations - For interest rate swaps which are not designated as a hedge under the accounting requirements for hedge accounting, the mark-to-market adjustment is recorded in "Change in fair value of financial instruments".

All of our interest rate swaps meet our interest rate risk and economic management criteria to ensure long term stability and visibility of cashflows. Approximately one-third of these swaps meet the technical requirements for hedge accounting.

#### Cash Available for Distribution(1)

During the three and six months ended June 30, 2008, we generated \$32.9 million and \$65.4 million, respectively, of cash available for distribution,(1) as compared to \$27.9 million and \$51.9 million, respectively, for the comparative periods in 2007. For the three months ended June 30, 2008, this represents an increase of \$5.0 million, or 17.9%, as compared to the same quarter in 2007. For the six months ended June 30, 2008, this represents an increase of \$13.5 million, or 25.9%, as compared to the same six month period in 2007.

#### Dividend Declared:

For the quarter ended June 30, 2008, we declared a quarterly dividend of \$0.475, representing a total distribution of \$31.5 million. The dividend will be paid on August 15, 2008 to all shareholders of record as of August 6, 2008. Because we recently adopted the DRIP, the actual amount of cash dividends paid may be less than \$31.5 million depending on shareholder participation in the DRIP.

Mr. Wang concluded, "We are pleased to have declared our 12th consecutive dividend since going public in August 2005. To date, we have increased our dividend twice and declared cumulative dividends of \$5.14 per share. With 38 additional vessels scheduled to be delivered through 2011 and a fleet of modern vessels on time charters, we remain

well positioned to grow our distributable cash flow over the long-term."

#### Fleet Utilization:

Our fleet was utilized 98.8% and 98.9%, respectively, for the three and six months ended June 30, 2008 compared to 99.9% and 99.0% for the comparable periods in the prior year.

The following tables summarize vessel utilization and the impact of the unplanned off-hire time incurred on our revenues for the three and six months ended June 30, 2008:

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2008	2007	2008	2007	2008	2007
Vessel Utilization:						
Ownership Days	2,687	2,405	2,639	2,096	5,326	4,501
Less Off-hire Days:						
Scheduled 5-Year Survey	(10)	-	-	(33)	(10)	(33)
Incremental due to rudder horn repair	-	-	-	(9)	-	(9)
Other unscheduled off-hire(3)	(21)	(1)	(27)	(1)	(48)	(2)
Operating Days	2,656	2,404	2,612	2,053	5,268	4,457
Vessel Utilization	98.8%	99.9%	99.0%	97.9%	98.9%	99.0%

	Three Months Ended June 30,		Three Months Ended March 31,		Six Months Ended June 30,	
	2008	2007	2008	2007	2008	2007
(in thousands)						
Revenue - Impact of Off-Hire:						
100% Utilization	\$55,507	\$48,995	\$54,703	\$42,087	\$110,210	\$91,082
Less Off-hire:						
Scheduled 5-Year Survey	(186)	-	-	(694)	(186)	(694)
Incremental due to rudder horn repair	-	-	-	(171)	-	(171)
Other unscheduled off-hire(3)	(390)	(119)	(488)	6	(877)	(113)
Actual Revenue Earned	\$54,931	\$48,876	\$54,215	\$41,228	\$109,147	\$90,104

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The following table summarizes the number of vessels in our fleet as it takes scheduled delivery:

TEU Vessel Size		Forecasted Year Ending December 31,				
Class	Actual	As of 30-Jun-08	2008	2009	2010	2011
13100	13092	-	-	-	-	8
9600	9580	2	2	2	2	2
8500	8468	2	2	2	2	2
8500	8495	-	-	2	8	8
5100	5087	-	-	4	4	4
4800	4809	4	4	4	4	4
4500	4520	-	-	-	2	5
4250	4253	19	19	23	23	23
3500	3534	2	2	2	2	2
2500	2546	1	6	8	10	10
Operating Vessels		30	35	47	57	68
Actual Capacity (TEU)		145,753	158,483	217,925	283,027	401,323

(1) Cash available for distribution is a non-GAAP measure that represents net earnings adjusted for depreciation, amortization of deferred charges, non-cash undrawn credit facility fees, write-off on debt refinancing, non-cash share-based compensation, dry-dock adjustment, change in fair value of financial instruments, interest expense, and cash interest paid at hedged rate. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2008 - Description of Non-GAAP Financial Measures - A. Cash Available for Distribution" on page 14 for a description of Cash Available for Distribution and a reconciliation of net earnings to Cash Available for

## Distribution.

(2) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for non-cash items such as the non-cash change in fair value of financial instruments, write-off on debt refinancing, interest expense, and interest expense at hedged rate. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2008 - Description of Non-GAAP Financial Measures - B. Normalized Net Earnings and Normalized Earnings per Share" on page 16 for a description of Normalized Net Earnings and a reconciliation of net earnings to normalized net earnings.

(3) Other includes charterer deductions that are not related to off-hire.

## About Seaspan

Seaspan owns containerships and charters them pursuant to long-term fixed-rate charters. Seaspan's contracted fleet of 68 containerships consists of 30 containerships in operation and 38 containerships to be delivered over approximately the next three years. Seaspan's operating fleet of 30 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. All of the 38 vessels to be delivered to Seaspan are already committed to long-term time charters averaging approximately 11 years in duration from delivery. Seaspan's customer base consists of seven of the world's largest, publicly traded liner companies, including China Shipping Container Lines, A.P. Moller-Maersk, Mitsui O.S.K. Lines, Hapag-Lloyd, COSCO Container Lines, K-Line and CSAV.

Seaspan's common shares are listed on the New York Stock Exchange under the symbol "SSW".

## Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the three and six months ended June 30, 2008 on July 30, 2008, at 2:00 p.m. PT / 5:00 p.m. ET. Participants should call 1-877-397-0297 (US/Canada) or 1-719-325-4869 (international) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-888-203-1112 or 1-719-457-0820 and enter replay passcode: 1492176. The recording will be available from July 30, 2008 at 6:00 p.m. PT / 9:00 p.m. ET through to 8:59 p.m. PT / 11:59 p.m. ET on August 13, 2008. The conference call will also be broadcast live over the Internet and include a slide presentation. To access the live webcast and slide presentation, go to [www.seaspancorp.com](http://www.seaspancorp.com) and click on "Investor Relations" then "Events & Presentations" for the link. The webcast and slides will be archived on the site for one year.

	June 30, 2008	December 31, 2007
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Assets		
Current assets:		
Cash and cash equivalents	\$ 31,902	\$ 123,134
Accounts receivable	205	2,527
Prepaid expenses	4,589	4,657
	<hr/>	<hr/>
	36,696	130,318
Vessels	2,808,843	2,424,253
Deferred charges	21,733	17,240
Other assets	6,258	5,090
	<hr/>	<hr/>
	\$ 2,873,530	\$ 2,576,901
	<hr/>	<hr/>
	<hr/>	<hr/>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,024	\$ 8,516
Deferred revenue	2,528	7,200
	<hr/>	<hr/>
	15,552	15,716
Long-term debt (operating vessels)	375,845	640,259
Long-term debt (vessels under construction)	904,768	699,179
Other long-term liability	381,999	223,804
Fair value of financial instruments	137,127	135,617
	<hr/>	<hr/>
	1,815,291	1,714,575
Share Capital	663	575
Additional paid-in capital	1,275,453	1,046,412
Deficit	(133,013)	(122,317)
Accumulated other comprehensive loss	(84,864)	(62,344)
	<hr/>	<hr/>
Total shareholders' equity	1,058,239	862,326
	<hr/>	<hr/>
	\$ 2,873,530	\$ 2,576,901
	<hr/>	<hr/>
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SEASPAN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT  
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008  
 (IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS AND NUMBER OF  
 SHARES)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Revenue	\$ 54,932	\$ 48,876	\$ 109,147	\$ 90,104
Operating expenses:				
Ship operating	12,731	11,153	25,335	20,910
Depreciation	13,924	12,220	27,665	22,736
General and administrative	2,139	1,483	3,956	2,842
	28,794	24,856	56,956	46,488
Operating earnings	26,138	24,020	52,191	43,616
Other expenses (earnings):				
Interest expense	10,055	8,580	18,671	15,127
Interest income	(163)	(1,040)	(439)	(2,115)
Undrawn credit facility fees	1,492	587	2,604	1,248
Amortization of deferred charges	446	248	908	429
Write-off on debt refinancing	-	635	-	635
Change in fair value of financial instruments	(71,019)	(18,512)	(17,216)	(19,957)
	(59,189)	(9,502)	4,528	(4,633)
Net earnings	85,327	33,522	47,663	48,249
Deficit, beginning of period	(187,340)	(24,161)	(122,317)	(17,658)
Dividends on common shares	(31,000)	(23,674)	(58,359)	(44,904)
Deficit, end of period	(133,013)	(14,313)	(133,013)	(14,313)
Weighted average number of shares (in millions)				
basic and diluted	64.6	51.6	61.1	49.6
Earnings per share, basic and diluted	\$ 1.32	\$ 0.65	\$ 0.78	\$ 0.97

SEASPAN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008  
 (IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Net earnings	\$ 85,327	\$ 33,522	\$ 47,663	\$ 48,249
Other comprehensive income:				
Change in fair value of financial instruments designated as cash flow hedging instruments	39,796	27,091	(27,525)	23,971
Amounts reclassified to earnings (loss) during the period	2,318	-	5,005	-
Other comprehensive income (loss)	42,114	27,091	(22,520)	23,971
Comprehensive income	\$ 127,441	\$ 60,613	\$ 25,143	\$ 72,220

SEASPAN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008  
 (IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Cash provided by (used in):				
Operating activities:				
Net earnings	\$ 85,327	\$ 33,522	\$ 47,663	\$ 48,249
Items not involving cash:				
Depreciation	13,924	12,220	27,665	22,736
Share-based compensation	632	270	1,273	595

Amortization of deferred charges	446	248	908	429
Write-off on debt financing	-	635	-	635
Change in fair value of financial instruments	(71,019)	(18,512)	(17,216)	(19,957)
Change in assets and liabilities	2,865	(187)	897	826
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Cash provided by operating activities	32,175	28,196	61,190	53,513
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Financing activities:				
Common shares issued, net of share issue costs	227,856	154,361	227,856	154,361
Draws on credit facilities (operating vessels)	20,625	47,999	20,625	205,849
Draws on credit facilities (vessels under construction)	99,989	178,927	263,550	193,487
Other long-term liability	-	-	35,405	-
Repayment of credit facility	(205,000)	-	(343,000)	-
Financing fees incurred	(2,291)	(3,892)	(5,630)	(3,961)
Dividends on common shares	(31,000)	(23,674)	(58,359)	(44,904)
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Cash provided by financing activities	110,179	353,721	140,447	504,832
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Investing activities:				
Expenditures for vessels	(43,862)	(57,578)	(43,862)	(280,399)
Deposits on vessels	(80,121)	(248,426)	(245,076)	(260,216)
Cash payments on interest rate swaps	(2,440)	-	(3,795)	-
Intangible assets	(136)	(129)	(136)	(28)
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Cash used in investing activities	(126,559)	(306,133)	(292,869)	(540,643)
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Increase (decrease) in cash and cash equivalents	15,795	75,784	(91,232)	17,702
Cash and cash equivalents, beginning of period	16,107	34,145	123,134	92,227
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Cash and cash equivalents, end of period	\$ 31,902	\$ 109,929	\$ 31,902	\$ 109,929
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# SEASPAN CORPORATION

## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

(IN THOUSANDS OF US DOLLARS)

### Description of Non-GAAP Financial Measures

#### A. Cash Available for Distribution

Cash available for distribution represents net earnings adjusted for depreciation, amortization of deferred charges, non-cash undrawn credit facility fees, write-off on debt refinancing, non-cash share-based compensation, dry-dock adjustment, non-cash interest income, change in fair value of financial instruments, interest expense(4) and cash interest paid at hedged rate(5). Cash available for distribution is a non-GAAP quantitative standard used to assist in evaluating a company's ability to make quarterly cash dividends. Cash available for distribution is not defined by accounting principles generally accepted in the United States and should not be considered as an alternative to net earnings or any other indicator of Seaspans performance required by accounting principles generally accepted in the United States. Cash available for distribution is a non-GAAP measure used to assist in evaluating a company's overall operating performance because cash available for distribution eliminates the effects of non-cash items that do not impact our operating performance or our ability to distribute cash to our shareholders.

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Net earnings	\$ 85,327	\$ 33,522	\$ 47,663	\$ 48,249
Add:				
Depreciation	13,924	12,220	27,665	22,736
Interest expense(4)	10,055	8,580	18,671	15,127
Amortization of deferred charges	446	248	908	429
Undrawn credit facility fees	1,492	587	2,604	1,248
Write-off on debt refinancing	-	635	-	635
Share-based compensation	632	270	1,273	595
Change in fair value of financial instruments	(71,019)	(18,512)	(17,216)	(19,957)
Less:				
Dry-dock adjustment	(703)	(616)	(1,394)	(1,162)
Interest income	(163)	(1,040)	(439)	(2,115)

Net cash flows before cash				
interest payments	39,991	35,894	79,735	65,785

Less:

Cash interest paid at hedged rate(5)	(6,031)	(8,614)	(13,112)	(15,090)
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Cash paid for undrawn credit facility fees	(1,211)	(421)	(1,678)	(929)
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Add:

Cash interest received	138	1,040	432	2,157
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Cash available for distribution	\$ 32,887	\$ 27,899	\$ 65,377	\$ 51,923
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Seaspan has changed the definition of cash available for distribution for comparative figures to reflect adjustments to the definition in the current year. The following items are now included as adjustments: undrawn credit facility fees, cash interest paid on operating vessels, cash paid for undrawn credit facility fees, interest expense(4) and cash interest paid at hedged rate(5). Seaspan previously reported \$27,137 and \$51,252, respectively, of cash available for distribution for the three and six months ended June 30, 2007. Based on the new definition of cash available for distribution used in the current period, the cash available for distribution has been adjusted to \$27,899 and \$51,923, respectively, for the three and six months ended June 30, 2007.

(4) Interest expense as reported on the consolidated statement of operations.

(5) Interest expense at hedged rate is calculated as the interest incurred on operating debt at the fixed rate on the related interest rate swaps plus the applicable margin on the related credit facilities.

## SEASPAN CORPORATION

### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

(IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS AND NUMBER OF SHARES)

#### Description of Non-GAAP Financial Measures

#### B. Normalized Net Earnings and Normalized Earnings per share

Normalized net earnings represent net earnings adjusted for items such as the non-cash

change in fair value of financial instruments, write-off on debt refinancing, interest expense(4) and interest expense at hedged rate(5). This definition has changed to include accounting adjustments for interest expense(4) and interest expense at hedged rate(5). With these adjustments normalized net earnings reflects interest expense on our operating debt at the fixed rate on the related interest rate swaps plus the applicable margin on the related credit facilities. We believe that this presentation of normalized net earnings is useful because investors and securities analysts frequently adjust net earnings for non-operating items, as described above, to evaluate companies in our industry. Normalized net earnings is a non-GAAP measure used to assist in evaluating a company's overall operating performance and liquidity because normalized net earnings eliminates the effects of non-cash items that do not impact our operating performance or our ability to distribute cash to our shareholders.

Normalized net earnings is not defined by accounting principles generally accepted in the United States and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required by accounting principles generally accepted in the United States. Normalized earnings per share are calculated using the normalized net earnings and weighted average number of shares.

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Net earnings	\$ 85,327	\$ 33,522	\$ 47,663	\$ 48,249
Adjust:				
Change in fair value of financial instruments	(71,019)	(18,512)	(17,216)	(19,957)
Write-off on debt refinancing	-	635	-	635
Interest expense(4)	10,055	8,580	18,671	15,127
Interest expense at hedged rate(5)	(5,053)	(8,626)	(12,313)	(15,606)
Normalized net earnings	\$ 19,310	\$ 15,599	\$ 36,805	\$ 28,448

Weighted average number of  
shares (in millions)

Basic and Diluted	64.6	51.6	61.1	49.6
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Earnings per share, basic and  
diluted

Reported	\$	1.32	\$	0.65	\$	0.78	\$	0.97
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Normalized	\$	0.30	\$	0.30	\$	0.60	\$	0.57
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## STATEMENT REGARDING 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 forecasts of 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 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 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; 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. 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 and subordinated shares.

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