

GSL Holdings, Inc.  
Form F-4/A  
July 09, 2008  
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As filed with the Securities and Exchange Commission on July 9, 2008

Registration No. 333-150309

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**AMENDMENT NO. 4 TO**  
**FORM F-4**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

(with respect to common shares being issued in the merger)

**GSL Holdings, Inc.**

(Exact name of Registrant as specified in its charter)

**Republic of the Marshall Islands**  
(State or other jurisdiction of incorporation  
or organization)

**4412**  
(Primary Standard Industrial Classification  
Code Number)  
**500 Park Avenue, 5th Floor**

**N/A**  
(I.R.S. Employer Identification No.)

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New York, New York 10022

(212) 993-1670

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Marathon Acquisition Corp.

500 Park Avenue, 5th Floor

New York, New York 10022

Attention: Corporate Secretary

(212) 993-1670

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of communications to:

Gary Sellers, Esq.

Edward Chung, Esq.

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017

(212) 455-2000 (Phone)

(212) 455-2502 (Fax)

**Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and after all conditions under the Agreement and Plan of Merger are satisfied or waived.**

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of  Securities to be Registered	Proposed		Proposed Maximum Aggregate Offering Price	Amount of Registration Fee <sup>(5)</sup>
	Maximum Amount to be Registered	Aggregate Price Per Security		
Common shares, par value \$0.01 per share	49,410,850 <sup>(1)</sup>	\$7.69 <sup>(2)</sup>	\$379,969,436.50	\$14,932.80
Warrants, each exercisable for one common share	45,535,850	\$0.75 <sup>(3)</sup>	\$34,151,887.50	\$1,342.17
Common shares underlying the warrants	N/A	N/A	N/A	N/A
Units <sup>(4)</sup>	5,849,878	N/A	N/A	N/A
<b>Total</b>	94,946,700	N/A	\$414,121,324.00	\$16,274.97

1. The number of common shares of the registrant being registered is based upon an estimate of the maximum number of shares of common stock, par value \$0.0001 per share, of Marathon Acquisition Corp. ( Marathon ) presently outstanding or issuable or expected to be issued in connection with the merger of Marathon with the registrant.

2. Estimated pursuant to Rule 457(c) solely for the purpose of computing the amount of the registration fee, and based on the average of the high and low prices of Marathon s common stock on the American Stock Exchange on April 14, 2008.

3. Estimated pursuant to Rule 457(c) solely for the purpose of computing the amount of the registration fee, and based on the average of the high and low prices of Marathon s warrants on the American Stock Exchange on April 14, 2008.

4. Each Unit consists of one common share and one warrant, which common shares and warrants are included in the rows above.

5. Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further Amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This joint proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**PRELIMINARY PROXY STATEMENT/PROSPECTUS  
SUBJECT TO COMPLETION, DATED JULY 9, 2008**

**PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS  
OF MARATHON ACQUISITION CORP.  
AND PROSPECTUS FOR COMMON SHARES, WARRANTS AND UNITS  
OF GSL HOLDINGS, INC.**

Joint Proxy Statement/Prospectus dated July 9, 2008

and first mailed to stockholders and warrant holders on or about July 11, 2008

Dear Marathon Stockholders and Warrant holders:

Marathon stockholders are cordially invited to attend the special meeting of the stockholders of Marathon Acquisition Corp., a Delaware corporation, or Marathon, relating to the agreement and plan of merger by and among Marathon, GSL Holdings, Inc., a Marshall Islands corporation and a newly formed subsidiary of Marathon, CMA CGM S.A., a French corporation, and Global Ship Lease, Inc., a Marshall Islands corporation and a subsidiary of CMA CGM, and related proposals.

Pursuant to the merger agreement, Marathon will merge with and into GSL Holdings, and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc. (such mergers collectively, the Merger). As a result of the Merger, each holder of Marathon common stock will receive one Class A common share of GSL Holdings for each share of Marathon common stock, except that Marathon Founders, LLC and other initial stockholders will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares; and CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. Each outstanding warrant to acquire a share of Marathon common stock will become a warrant to receive one Class A common share of GSL Holdings. Each outstanding unit of Marathon will represent one Class A common share of GSL Holdings and a warrant to acquire one Class A common share of GSL Holdings.

Global Ship Lease owns 12 containerships which are chartered to CMA CGM. Pursuant to an asset purchase agreement, Global Ship Lease will acquire another five containerships from CMA CGM after the Merger. CMA CGM is the third largest container shipping company in the world. Following the effective date of the Merger, CMA CGM is expected to own between 33.8% and 37.9% of the outstanding common shares of GSL Holdings, depending on the number of shares of Marathon common stock converted for cash. Marathon is a blank check company formed for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses.

GSL Holdings is applying to have its Class A common shares, warrants and units listed on the New York Stock Exchange under the symbols, GSL, GSL.WS and GSL.U, respectively.

Each Marathon stockholder who holds shares of common stock issued as part of the units issued in Marathon's initial public offering has the right to vote against adoption of the merger proposal and demand that Marathon convert such shares into cash. This includes any stockholder who acquires shares issued in the initial public offering through purchases following the initial public offering, and such stockholder is entitled to conversion rights. As of March 31, 2008, there was approximately \$316 million in the Marathon trust account (inclusive of the deferred underwriting compensation) plus accrued interest on the funds in the trust account and less accrued taxes, or approximately \$7.90 per share issued in the initial public offering. The shares for which conversion has been exercised will be converted into cash only if the Merger is

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completed. However, if the holders of 20% (8,003,167) or more of the shares of common stock issued in the initial public offering vote against adoption of the merger proposal and demand conversion of their shares into cash at the per share conversion price no later than the close of the vote on the merger proposal at the special meeting, Marathon will not complete the Merger. Prior to exercising their conversion rights, Marathon's stockholders should verify the market price of Marathon's common stock, as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights. Shares of Marathon's common stock are currently listed on the AMEX under the symbol MAQ. On July 7, 2008, the record date for the special meeting of stockholders, the last sale price of Marathon's common stock was \$7.51.

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With respect to the merger proposal, all of Marathon's initial stockholders have agreed to vote the shares of common stock held by them that they acquired prior to the initial public offering either for or against the adoption of the merger proposal in the same manner that the majority of the shares issued in the initial public offering that are voted at the meeting are voted on such proposal and have agreed to vote any shares acquired in or after the initial public offering for the adoption of the merger proposal. They have indicated that they will vote such shares FOR all of the other proposals, although there is no agreement in place with respect to these proposals.

In connection with the Merger, Marathon is also soliciting the requisite consent of its warrant holders to amend the warrant agreement to revise the definition of Business Combination and the other merger-related provisions to include the Merger. With respect to the consent solicitation, the officers of Marathon have indicated that they will provide their consent to the warrant amendment, although there is no agreement in place to do so.

**Each stockholder's vote and warrant holder's consent is very important. Whether or not you plan to attend the Marathon special meeting in person, please submit your proxy card without delay.** Stockholders may revoke proxies at any time before they are voted at the meeting. Voting by proxy will not prevent a stockholder from voting such stockholder's shares in person if such stockholder subsequently chooses to attend the Marathon special meeting. Warrant holders may revoke their consents at any time before the requisite consents have been received. The joint proxy statement/prospectus constitutes a proxy statement of Marathon and a prospectus of GSL Holdings for the securities of GSL Holdings that will be issued to securityholders of Marathon.

Holders of Marathon common stock or warrants will not be entitled to any appraisal rights under the Delaware General Corporation Law in connection with the Merger.

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**HOW TO OBTAIN ADDITIONAL INFORMATION**

If you would like to receive additional information or if you want additional copies of this document, agreements contained in the appendices or any other documents filed by Marathon with the Securities and Exchange Commission, such information is available without charge upon written or oral request. Please contact the following:

**Marathon Acquisition Corp.**

**500 Park Avenue, 5<sup>th</sup> Floor**

**New York, New York 10022**

**Attention: Corporate Secretary**

**Tel: 212-993-1670**

If you would like to request documents, please do so no later than July 30, 2008, to receive them before Marathon's special meeting. Please be sure to include your complete name and address in your request. Please see "Where You Can Find Additional Information" to find out where you can find more information about Marathon and GSL Holdings. You should rely only on the information contained in this joint proxy statement/prospectus in deciding how to vote on the Merger. Neither Marathon nor GSL Holdings has authorized anyone to give any information or to make any representations other than those contained in this joint proxy statement/prospectus. Do not rely upon any information or representations made outside of this joint proxy statement/prospectus. The information contained in this joint proxy statement/prospectus may change after the date of this joint proxy statement/prospectus. Do not assume after the date of this joint proxy statement/prospectus that the information contained in this joint proxy statement/prospectus is still correct.

The place, date and time of the Marathon special meeting is as follows: the offices of Marathon Acquisition Corp., 500 Park Avenue, 5<sup>th</sup> Floor, New York, New York, on August 6, 2008 at 10:00 a.m.

**We encourage you to read this joint proxy statement/prospectus carefully. In particular, you should review the matters discussed under the caption "RISK FACTORS" beginning on page 20.**

**Marathon's board of directors unanimously recommends that Marathon stockholders vote FOR approval of the Merger and the other proposals.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or otherwise, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

*/s/* MICHAEL S. GROSS  
Michael S. Gross  
Chairman of the Board of Directors of

Marathon Acquisition Corp.

July 9, 2008

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**MARATHON ACQUISITION CORP.**

**500 Park Avenue, 5<sup>th</sup> Floor**

**New York, New York 10022**

**Notice of Special Meeting of Marathon Acquisition Corp. Stockholders To Be Held on August 6, 2008**

To Marathon Stockholders:

A special meeting of stockholders of Marathon Acquisition Corp., a Delaware corporation, or Marathon, will be held at the offices of Marathon Acquisition Corp., 500 Park Avenue, 5<sup>th</sup> Floor, New York, New York on August 6, 2008, at 10:00 a.m., for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the agreement and plan of merger among Marathon, GSL Holdings, Inc., a Marshall Islands corporation and a newly formed subsidiary of Marathon, CMA CGM S.A., a French corporation, and Global Ship Lease, Inc., a Marshall Islands corporation and a subsidiary of CMA CGM, and the transactions contemplated thereby (the Merger Proposal).
2. To consider and vote upon a proposal to approve and authorize an amendment to Marathon's certificate of incorporation to revise the definition of Business Combination to include the Merger contemplated by the merger agreement (the Certificate Amendment Proposal). The approval of the Merger Proposal is conditioned upon the approval of the Certificate Amendment Proposal.
3. To adjourn the special meeting in the event Marathon does not received the requisite stockholder vote to approve the Merger Proposal and the Certificate Amendment Proposal (the Adjournment Proposal).

As of July 7, 2008, there were 49,410,850 shares of Marathon common stock issued and outstanding and entitled to vote. Only Marathon stockholders who hold shares of record as of the close of business on July 7, 2008 are entitled to vote at the special meeting or any adjournment of the special meeting. Approval of the Merger Proposal requires approval of the holders of a majority of the votes cast of the shares of common stock issued in the initial public offering. In addition, in order for the Merger Proposal to be approved, regardless of whether the Merger Proposal receives such requisite votes, holders of less than 8,003,167 shares of common stock, such number representing 20% of the 40,035,850 shares of Marathon common stock issued in the initial public offering, must vote against the Merger and exercise their conversion rights to have their shares converted for cash. The other proposals require the approval of holders of a majority of the common stock represented and entitled to vote at the special meeting.

Holders of Marathon's common stock will not be entitled to any appraisal rights under the Delaware General Corporation Law in connection with the Merger.

Whether or not you plan to attend the special meeting in person, please submit your proxy card without delay. Voting by proxy will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting. If you fail to return your proxy card, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. You may revoke a proxy at any time before it is voted at the special meeting by executing and returning a proxy card dated later than the previous one, by attending the special meeting in person and casting your vote by ballot or by submitting a written revocation to Marathon at 500 Park Avenue, 5<sup>th</sup> Floor, New York, New York 10022, Attention: Corporate Secretary, before we take the vote at the special meeting. If you hold your shares through a bank or brokerage firm, you should follow the instructions of your bank or brokerage firm regarding revocation of proxies.

**Marathon's board of directors unanimously recommends that Marathon stockholders vote FOR approval of each of the proposals.**

By order of the Board of Directors,

/s/ MICHAEL S. GROSS  
**Michael S. Gross**  
**Chairman of the Board of Directors of**

**Marathon Acquisition Corp.**



July 9, 2008

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Appendix A Agreement and Plan of Merger by and among Marathon Acquisition Corp., GSL Holdings, Inc., Global Ship Lease, Inc. and CMA CGM S.A.

Appendix B Fairness Opinion

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**QUESTIONS AND ANSWERS ABOUT THE MARATHON SPECIAL MEETING**

**Q: What is the purpose of this document?**

**A:** This document serves as Marathon's proxy statement and as the prospectus of GSL Holdings. As a proxy statement, this document is being provided to Marathon stockholders because the Marathon board of directors is soliciting their proxies to vote to approve, at a special meeting of stockholders, the merger agreement, pursuant to which Marathon will merge with and into GSL Holdings (such merger, the Migratory Merger), and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc. (such merger, the GSL Merger) and collectively with the Migratory Merger, the Merger).

As a prospectus, GSL Holdings is providing this document to Marathon stockholders because GSL Holdings is offering its common shares in exchange for shares of Marathon common stock and GSL Holdings is assuming the outstanding warrants of Marathon in the Merger.

In addition, this document is being provided to Marathon's warrant holders as it contains a Consent Solicitation of Marathon's warrant holders to certain amendments to the warrant agreement.

**Q: What matters will Marathon stockholders be asked to vote on at the Marathon special meeting?**

**A:** There are three proposals on which Marathon stockholders are being asked to vote:

a proposal to approve and adopt the merger agreement and the transactions contemplated thereby (the Merger Proposal);

a proposal to approve and authorize an amendment to Marathon's certificate of incorporation to revise the definition of Business Combination to include the Merger (the Certificate Amendment Proposal); and

a proposal to adjourn the special meeting in the event Marathon does not receive the requisite stockholder vote to approve the Merger Proposal and the Certificate Amendment Proposal (the Adjournment Proposal).

Marathon can not complete the Merger unless both the Merger Proposal and the Certificate Amendment Proposal are approved at the special meeting.

**Q: When and where is the special meeting of Marathon stockholders?**

**A:** The special meeting of Marathon stockholders will take place at the offices of Marathon Acquisition Corp., located at 500 Park Avenue, 5th Floor, New York, New York, on August 6, 2008, at 10:00 a.m.

**Q: Who may vote at the special meeting?**

**A:** Only holders of record of shares of Marathon common stock as of the close of business on July 7, 2008 may vote at the special meeting. As of July 7, 2008, there were 49,410,850 shares of Marathon common stock outstanding and entitled to vote.

**Q: What is the quorum requirement for the special meeting?**

**A:** Stockholders representing a majority of the Marathon common stock issued and outstanding as of the record date and entitled to vote at the special meeting must be present in person or represented by proxy in order to hold the special meeting and conduct business. This is called a quorum. Shares of Marathon common stock will be counted for purposes of determining if there is a quorum if the stockholder (i) is present and entitled to vote at the meeting, or (ii) has properly submitted a proxy card. In the absence of a quorum, stockholders representing a majority of the votes present in person or represented by proxy at such meeting, may adjourn the meeting until a quorum is present.

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**Q What is the required vote to approve and authorize the Merger?**

**A:** The Merger must be approved by the holders of at least a majority of the votes cast of the shares of common stock issued in Marathon's initial public offering. In addition, Marathon may not complete the Merger if the holders of 20% or more of the shares of common stock issued in the initial public offering elect to exercise conversion rights.

With respect to the Merger, Marathon's initial stockholders have agreed to vote their respective shares of common stock acquired by them prior to the initial public offering in accordance with the majority of the shares of common stock voted by the public stockholders. Marathon's initial stockholders and Marathon Investors, LLC have also agreed that they will vote any shares they purchase in the open market, in or subsequent to the initial public offering, in favor of the Merger.

**Q: When did Marathon consummate its initial public offering and what proceeds were received in connection therewith?**

**A:** On August 30, 2006, Marathon consummated its initial public offering of 37,500,000 units, each consisting of one share of common stock and one warrant exercisable for an additional share of common stock at an exercise price of \$6.00 per warrant, and received proceeds of approximately \$279,000,000, net of underwriting discounts and commissions of approximately \$21,000,000 (including approximately \$6,000,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). In addition, on September 22, 2006, the underwriters for Marathon's initial public offering exercised their over-allotment option, which closed on September 27, 2006, generating additional proceeds of approximately \$18,867,000, net of underwriting discounts and commissions of approximately \$1,420,000 (including approximately \$400,000 of additional deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). Also on August 30, 2006, Marathon consummated a private placement of 5,500,000 warrants at \$1.00 per warrant to Marathon Investors, LLC for an aggregate purchase price of \$5,500,000. The proceeds of this private placement were also placed in the trust account.

**Q: What is the deadline for Marathon to effect a business combination?**

**A:** If Marathon does not consummate the Merger or another business combination by August 30, 2008, then pursuant to Article Fifth of its certificate of incorporation, Marathon's officers must take all actions necessary in accordance with the Delaware General Corporation Law to dissolve and liquidate Marathon as soon as reasonably practicable.

**Q Do I have conversion rights in connection with the Merger?**

**A:** Yes. In order to exercise conversion rights, a stockholder must vote against the Merger and elect to exercise conversion rights on the enclosed proxy card. If a stockholder votes against the Merger but fails to properly exercise conversion rights, such stockholder will not be entitled to have its shares converted to cash. Any request for conversion, once made, may be withdrawn at any time up to the date of the special meeting. The actual per share conversion price will be equal to the aggregate amount then on deposit in Marathon's trust account, before payment of deferred underwriting discounts and commissions and including accrued interest, net of any income taxes on such interest, which shall be paid from the trust account, and net of interest income of \$3.9 million previously released to Marathon to fund working capital requirements (subject to the tax holdback) (calculated as of two business days prior to the consummation of the Merger), divided by the number of shares sold in the initial public offering. For illustrative purposes, based on funds in the trust account on March 31, 2008, the estimated per share conversion price would have been \$7.90. Please see "Special Meeting of Marathon Stockholders Conversion Rights" for the procedures to be followed if you wish to convert your shares into cash.

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**Q: What is the required vote to approve the Certificate Amendment Proposal and the Adjournment Proposal?**

**A:** The Certificate Amendment Proposal and the Adjournment Proposal require the approval of holders of a majority of the Marathon common stock represented and entitled to vote at the special meeting. The Merger will not be consummated if the Certificate Amendment Proposal is not approved.

**Q: Has the board of directors of Marathon recommended approval of the Merger Proposal and the other Proposals?**

**A:** Yes. Marathon's board of directors has unanimously recommended to its stockholders that they vote FOR the approval of the Merger Proposal, the Certificate Amendment Proposal and the Adjournment Proposal at the special meeting. After careful deliberation of the terms and conditions of these proposals, Marathon's board of directors has unanimously determined that the Merger, the merger agreement and each of these proposals are fair to, and in the best interests of, Marathon and its stockholders. Marathon's directors have interests in the Merger that are different from, or in addition to, your interests as a stockholder of Marathon. For a description of such interests, Please see The Merger Proposal Interests of Marathon Directors and Officers in the Merger. Please also see The Merger Proposal Background of the Merger and The Merger Proposal Marathon's Board of Directors Reasons for the Approval of the Merger for a discussion of the factors that Marathon's board of directors considered in deciding to recommend the approval and authorization of the Merger.

**Q: What is the Consent Solicitation?**

**A:** Marathon is soliciting the requisite consent of its warrant holders to amend the warrant agreement to revise the definition of Business Combination and the other merger-related provisions to include the Merger (the Consent Solicitation). Receipt of the requisite consents to these amendments is a condition to the Merger. With respect to the consent solicitation, the officers of Marathon have indicated that they will provide their consent to the warrant amendment, although there is no agreement in place to do so.

**Q: What will CMA CGM receive in the Merger?**

**A:** Pursuant to the merger agreement, CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. After the Merger, CMA CGM is expected to own between 33.8% and 37.9% of the outstanding common shares of GSL Holdings, depending on the number of shares of Marathon common stock converted for cash.

**Q: What will I receive in the Merger?**

**A:** Pursuant to the merger agreement, each outstanding share of Marathon common stock will be converted into the right to receive one Class A common share of GSL Holdings (except that Marathon Founders, LLC and other initial stockholders will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares) and each outstanding warrant of Marathon will be assumed by GSL Holdings and contain the same terms and restrictions except that each will be exercisable for Class A common shares of GSL Holdings. After the Merger, the current stockholders of Marathon are expected to own between 62.1% and 66.2% of the outstanding common shares of GSL Holdings, depending on the number of shares of Marathon common stock converted for cash.

**Q: How can I vote?**

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- A:** Please vote your shares of Marathon common stock as soon as possible after carefully reading and considering the information contained in this joint proxy statement/prospectus. You may vote your shares prior to the special meeting by signing and returning the enclosed proxy card. If you hold your shares in street name (which means that you hold your shares through a bank, brokerage firm or nominee), you must vote in accordance with the instructions on the voting instruction card that your bank, brokerage firm or nominee provides to you.

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**Q: If my shares are held in street name by my bank, brokerage firm or nominee, will they automatically vote my shares for me?**

**A:** No. Your bank, brokerage firm or nominee cannot vote your shares without instructions from you. You should instruct your bank, brokerage firm or nominee how to vote your shares, following the instructions contained in the voting instruction card that your bank, brokerage firm or nominee provides to you.

**Q: What if I abstain from voting or fail to instruct my bank, brokerage firm or nominee?**

**A:** Abstaining from voting or failing to instruct your bank, brokerage firm or nominee to vote your shares will have no effect on the outcome of the Merger Proposal but will have the same effect as a vote against the other proposals.

**Q: Can I change my vote after I have mailed my proxy card?**

**A:** Yes. You may change your vote at any time before your proxy is voted at the special meeting. You may revoke your proxy by executing and returning a proxy card dated later than the previous one, or by attending the special meeting in person and casting your vote by ballot or by submitting a written revocation stating that you would like to revoke your proxy. If you hold your shares through a bank, brokerage firm or nominee, you should follow the instructions of your bank, brokerage firm or nominee regarding the revocation of proxies. You should send any notice of revocation or your completed new proxy card, as the case may be, to:

**Marathon Acquisition Corp.**

**500 Park Avenue, 5<sup>th</sup> Floor**

**New York, New York 10022**

**Attention: Corporate Secretary**

**Q: Should I send in my stock certificates now?**

**A:** No. If we complete the Merger, you will receive written instructions for returning your stock certificates. These instructions will tell you how and where to send in your stock certificates in order to receive the common stock of GSL Holdings. Marathon shareholders who intend to have their shares converted, by electing to have those shares converted to cash on the proxy card at the same time they vote against the Merger, should not send their certificates now, but should do so only after the effective date of the Merger.

**Q: When is the Merger expected to occur?**

**A:** Assuming the requisite stockholder and warrant holder approval are received, Marathon expects that the Merger will occur during the third quarter of 2008. Marathon's certificate of incorporation requires that the Merger or another business combination be consummated by August 30, 2008.

**Q: May I seek statutory appraisal rights with respect to my shares?**



## Edgar Filing: GSL Holdings, Inc. - Form F-4/A

**A:** Under applicable Delaware law, you do not have appraisal rights with respect to your shares.

**Q: What happens if the Merger is not consummated?**

**A:** If Marathon does not consummate the Merger or another business combination by August 30, 2008, then pursuant to Article Fifth of its certificate of incorporation, Marathon's officers must take all actions necessary in accordance with the Delaware General Corporation Law to dissolve and liquidate Marathon as soon as reasonably practicable. Following dissolution, Marathon would no longer exist as a corporation. In any liquidation, the funds held in the trust account, plus any interest earned thereon (net of taxes), together

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with any remaining out-of-trust net assets will be distributed pro-rata to holders of shares of Marathon common stock who acquired such shares of common stock in Marathon's initial public offering or in the aftermarket. If the Merger or another business combination is not effected by August 30, 2008, the warrants will expire worthless. The estimated consideration that each share of Marathon common stock would be paid at liquidation would be \$7.90 per share, based on amounts on deposit in the trust account as of March 31, 2008. The closing price of Marathon's common stock on the American Stock Exchange ( AMEX ) on July 7, 2008 was \$7.51 per share. Holders of shares issued prior to Marathon's initial public offering have waived any right to any liquidation distribution with respect to such shares.

**Q: What happens post-Merger to the funds deposited in the trust account?**

**A:** Following the closing of the Merger, funds in the trust account will be released to Marathon. Marathon stockholders exercising conversion rights will receive their per share conversion price. The balance of the funds will be utilized to fund a part of the cash portion of the merger consideration payable to CMA CGM and to pay down the credit facility of Global Ship Lease.

**Q: Who will manage Global Ship Lease after the Merger?**

**A:** The members of the initial board of directors of GSL Holdings will be identified by Marathon prior to the effective time of the Merger. Marathon has not yet identified the individuals who will serve on the board of directors of GSL Holdings, but expects that the directors of GSL Holdings will include Mr. Gross and some of Marathon's other current directors. The current officers of Global Ship Lease will become the officers of GSL Holdings.

**Q: What is the anticipated dividend policy after the Merger?**

**A:** After the consummation of the Merger, GSL Holdings intends to pay quarterly dividends on the Class A common shares beginning with a third quarter 2008 dividend of \$0.18 per share. With respect to the third quarter of 2009, GSL Holdings intends to increase its quarterly dividend on the Class A common shares and subordinated Class B common shares to \$0.19 per share.

In addition to its regular dividend payments, GSL Holdings intends to pay a starting dividend of \$0.18 per Class A common share. The declaration of the dividend is expected to occur shortly after the consummation of the Merger. The record date is expected to be within ten days after the consummation of the Merger.

GSL Holdings' preliminary calculations indicate that approximately (i) 35 to 40% of the dividends anticipated to be paid in 2008 will represent a return of capital and (ii) 60 to 70% of the dividends anticipated to be paid in 2009 and 2010 will represent a return of capital.

The payment of dividends is not guaranteed or assured and may be discontinued at the sole discretion of the board of directors and may not be paid in the anticipated amounts and frequency set forth in this joint proxy statement/prospectus. The board of directors will continually review its dividend policy and make adjustments that it believes appropriate. Please see "Dividend Policy" for more information.

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus but may not contain all of the information that may be important to you. Accordingly, we encourage you to read carefully this entire joint proxy statement/prospectus, including the Agreement and Plan of Merger attached as Appendix A. Please read these documents carefully as they are the legal documents that govern the Merger and your rights in the Merger. Unless the context otherwise requires, references to we, us or our refers to Marathon Acquisition Corp. before the consummation of the Merger and to GSL Holdings (to be renamed Global Ship Lease, Inc.) after the consummation of the Merger, and the words CMA CGM refer to CMA CGM S.A. and its wholly owned subsidiaries. Global Ship Lease is a wholly owned subsidiary of CMA CGM and will be so until the consummation of the Merger. For the definition of certain terms used in this joint proxy statement/prospectus, please see Glossary of Shipping Terms at the end of this joint proxy statement/prospectus.*

*Unless otherwise indicated, all references to \$ and dollars in this joint proxy statement/prospectus are in United States dollars. We use the term TEU, meaning 20-foot equivalent unit, the international standard measure of container size, in describing volumes in world container trade and other measures, including the capacity of Global Ship Lease's containerhips, which we also refer to as the vessels. Unless otherwise indicated, we calculate the average age of Global Ship Lease's vessels on a weighted average basis, based on TEU capacity.*

**The Parties**

Marathon Acquisition Corp. and

GSL Holdings, Inc.

500 Park Avenue, 5th Floor

New York, New York 10022

Telephone: (212) 993-1670

Marathon is a blank check company organized under the laws of the State of Delaware on April 27, 2006. Marathon was formed to acquire an operating business or several operating businesses through a merger, stock exchange, asset acquisition, reorganization or similar business combination. On August 30, 2006, Marathon consummated its initial public offering of 37,500,000 units, each consisting of one share of common stock and one warrant exercisable for an additional share of common stock at an exercise price of \$6.00 per warrant, and received proceeds of approximately \$279,000,000, net of underwriting discounts and commissions of approximately \$21,000,000 (including approximately \$6,000,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). In addition, on September 22, 2006 the underwriters for Marathon's initial public offering exercised a portion of their over-allotment option, which closed on September 27, 2006, generating proceeds of approximately \$18,867,000, net of underwriting discounts and commissions of approximately \$1,420,000 (including approximately \$400,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). On August 30, 2006, Marathon also consummated a private placement of warrants, which we refer to as the sponsor warrants, to Marathon Investors, LLC, an entity owned and controlled by Marathon's chief executive officer, for an aggregate purchase price of \$5,500,000. The proceeds of the private placement were also placed into the trust account. Marathon's units commenced trading on the AMEX under the symbol MAQ.U. Marathon's common stock has traded separately on the AMEX under the symbol MAQ since September 29, 2006. Marathon's warrants have traded separately on the OTC Bulletin Board under the symbol MAQ.WS since September 29, 2006.

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GSL Holdings is a corporation formed by Marathon under the laws of the Republic of the Marshall Islands on March 14, 2008 for the purpose of being the surviving company in the Merger. Upon the Merger, GSL Holdings will be renamed Global Ship Lease, Inc.

Global Ship Lease, Inc.

c/o 10 Greycoat Place

London

SWIP 1SB

United Kingdom

Telephone: 44 (0) 207 960 6340

Global Ship Lease is a Republic of the Marshall Islands corporation formed on May 3, 2007 to establish a business of owning a fleet of modern containerships of diverse sizes. Global Ship Lease has purchased the 12 vessels in its initial fleet and will purchase the five vessels in its contracted fleet from CMA CGM and will initially derive all of its revenue from CMA CGM, which will be its only charterer immediately following the Merger. Global Ship Lease's business strategy is to expand its fleet through additional accretive vessel acquisitions and to charter those vessels under long-term, fixed-rate charters to reputable container shipping companies, including CMA CGM.

Global Ship Lease has acquired 10 secondhand vessels and two newly built vessels from CMA CGM and certain of its vessel-owning subsidiaries. Global Ship Lease refers to these 12 containerships collectively as its initial fleet. The initial fleet has an aggregate capacity of 36,322 TEU, a weighted average age of 5.3 years and a non-weighted average age of 5.8 years at delivery. In addition to its initial fleet, Global Ship Lease will also acquire from CMA CGM and its subsidiaries four secondhand vessels and one newbuilding, with an additional aggregate capacity of 29,975 TEU, a weighted average age of 3.5 years and a non-weighted average age of 3.5 years at the time of their delivery. Three of the secondhand vessels and the newbuilding are expected to be delivered in December 2008. Global Ship Lease refers to these four containerships as the first contracted fleet. One additional secondhand vessel is expected to be delivered in July 2009 and is referred to as the second contracted fleet and, together with the first contracted fleet, the contracted fleet. Global Ship Lease refers to the combined initial fleet and contracted fleet as the initial and contracted fleet.

Global Ship Lease is a wholly owned subsidiary of CMA CGM. CMA CGM, a French corporation, is the third largest container shipping company in the world, operating a fleet of 393 ships with a total capacity of 935,975 TEU as of March 31, 2008.

Upon completion of the acquisition of the initial and contracted fleet, Global Ship Lease will own a modern fleet of 17 containerships ranging in sizes from 2,207 TEU to 10,960 TEU, with an average TEU capacity of approximately 3,900 TEU. Its initial and contracted fleet will have an aggregate capacity of 66,297 TEU, a weighted average age of 5.5 years and a non-weighted average age of 5.8 years upon delivery of all of its vessels, which Global Ship Lease expects to occur in July 2009. All of the vessels in its initial and contracted fleet will be time chartered to CMA CGM for terms between five and 17 years, equal to a non-weighted average term of 11 years. Global Ship Lease refers to CMA CGM, in its capacity as the initial charterer, as the Charterer. Global Ship Lease intends to add additional container shipping companies as customers and increase the size of its fleet beyond the initial and contracted fleet through acquisitions of newbuildings and secondhand vessels.

Each member of Global Ship Lease's senior management team has a professional background in the shipping industry. Ian J. Webber, its Chief Executive Officer, has over 12 years of experience in the shipping industry, Susan J. Cook, its Chief Financial Officer, has over 15 years of experience in the shipping industry and Thomas A. Lister, its Chief Commercial Officer, has over 15 years of experience in liner shipping and ship finance.

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Global Ship Lease's management team will undertake all management of and strategy for its fleet, and supervise the day-to-day ship management of its vessels provided under ship management agreements. Ship management will initially be provided by CMA Ships, a wholly owned subsidiary of CMA CGM. As Global Ship Lease expands its fleet and adds other charterers in addition to CMA CGM, ship management will be provided by third party technical managers under the supervision of Global Ship Lease's management team. Global Ship Lease refers to CMA Ships as the Ship Manager. CMA Ships subcontracts its management duties to CMA Ships UK, an affiliate of CMA Ships, for eight of the vessels and to Midocean (IOM) Limited, an unaffiliated third party, for four of the vessels in accordance with the provisions of the ship management agreements. Pursuant to the ship management agreements, Global Ship Lease pays the Ship Manager a fixed management fee per vessel and reimburses the Ship Manager for operating expenses incurred by it on Global Ship Lease's behalf, up to a quarterly cap. The global expense agreement establishes the quarterly cap and the Ship Manager will bear the amount of operating costs incurred on Global Ship Lease's behalf in excess of the quarterly cap. The ship management agreements may be terminated at Global Ship Lease's request under certain circumstances after the first anniversary of the acquisition of the respective vessel.

Set forth below are diagrams showing the relationship among the parties and certain of their affiliates before and after the Merger.

**BEFORE THE MERGER**

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**AFTER THE MERGER**

**The Merger and the Merger Agreement**

On March 21, 2008, Marathon entered into the Agreement and Plan of Merger (the "merger agreement") by and among Marathon, GSL Holdings, CMA CGM and Global Ship Lease pursuant to which Marathon will merge with and into GSL Holdings, its newly-formed, wholly owned Marshall Islands subsidiary, and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc. (such mergers collectively, the "Merger").

As a result of the Merger, each holder of a share of Marathon common stock issued and outstanding immediately prior to the effective time of the Merger will receive Class A common shares of GSL Holdings, except that Marathon Founders, LLC and other initial stockholders will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares; and CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. The rights of holders of Class B common shares will be identical to those of holders of Class A common shares subject to meeting certain tests, except that the holders of Class B common shares will not be entitled to receive any dividends with respect to any quarter prior to the fourth quarter of 2008 and their dividend rights will be subordinated to those of holders of Class A common shares until at least the third quarter of 2011. The rights of holders of Class C common shares will be identical to those of holders of Class A common shares, except that holders of Class C common shares will not be entitled to receive any dividends and the Class C common shares will convert into Class A common shares on a one-for-one basis on January 1, 2009.

Pursuant to an asset purchase agreement (the "asset purchase agreement"), Global Ship Lease, a subsidiary of CMA CGM, has acquired its initial fleet from CMA CGM and will purchase five additional vessels from CMA CGM with expected delivery of four vessels in December 2008 and one in July 2009 for an aggregate purchase price of \$437 million, of which \$99 million will be deemed to be prepaid by the consideration paid to CMA CGM in the Merger.

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The merger agreement contains customary representations and warranties by each of the parties. The representations and warranties do not survive the closing.

Marathon and Global Ship Lease have agreed to operate in the ordinary course and to refrain from taking certain material prohibited actions without obtaining the other party's prior written consent (which shall not be unreasonably withheld) until the consummation of the Merger. Until the termination of the merger agreement or the closing of the Merger, the parties have agreed not to encourage, solicit, initiate, engage or participate in negotiations regarding an alternate transaction. The parties have agreed to use commercially reasonable efforts to consummate the transaction, including commercially reasonable efforts by Marathon to obtain the requisite stockholder approval and warrant holder consent. Marathon and Global Ship Lease will afford to each other reasonable access to their properties, books, records, advisors, accountants, counsel and other representatives and to all information reasonably requested by each other, and Marathon will be permitted to conduct an inspection of Global Ship Lease's vessels prior to the closing.

The obligations of Marathon and GSL Holdings, on the one hand, and CMA CGM and Global Ship Lease, on the other hand, to consummate the transaction are subject to the following closing conditions: (i) Marathon shall have obtained the approval of its stockholders and consent of its warrant holders with respect to the transaction, (ii) holders of less than 20% of Marathon's common stock shall have exercised their rights to convert their shares into a pro rata share of the aggregate amount then on deposit in the trust fund, (iii) the expiration of the waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, (iv) no statute, rule, regulation, decree, injunction or order of any governmental entity which prohibits the consummation of the transaction shall have been enacted, issued or entered, (v) accuracy of representations and warranties of the other parties, (vi) performance and compliance by the other parties with their respective agreements and covenants, (vii) execution of related transaction agreements and (viii) Marathon and GSL Holdings shall have received tax opinions from legal counsel. In addition, the obligation of Marathon and GSL Holdings to consummate the transaction is also subject to (a) an absence of a material adverse effect on Global Ship Lease and (b) Global Ship Lease's credit facility shall be in full force and effect as of the time of the Merger, and the obligation of CMA CGM and Global Ship Lease to consummate the transaction is also subject to (a) an absence of a material adverse effect on Marathon or GSL Holdings and (b) Marathon having made appropriate arrangements reasonably satisfactory to Global Ship Lease and CMA CGM to have the trust fund (which shall contain no less than \$240 million) disbursed to Marathon and CMA CGM upon the closing.

The merger agreement may be terminated at any time prior to the closing, as follows: (i) by mutual written consent of Marathon and CMA CGM, (ii) by Marathon or CMA CGM if the transaction has not been consummated by August 31, 2008, (iii) by either Marathon, CMA CGM or Global Ship Lease if a governmental entity has issued a final and non-appealable order, decree, judgment or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the closing of the transaction, (iv) by Marathon, on the one hand, or CMA CGM and Global Ship Lease, on the other hand, if either party materially breaches any of its representations, warranties, covenants or agreements such that the applicable closing condition would not be satisfied (subject to cure provisions), and (v) by either party, if Marathon's stockholders do not approve, and warrant holders do not consent to, the Merger (or if holders of 20% or more of Marathon's common stock exercise conversion rights).

Marathon, GSL Holdings and Global Ship Lease expect to incur approximately \$15,670,000 in fees and expenses in connection with the Merger.

## **Conversion Rights**

Pursuant to Marathon's certificate of incorporation, a holder of shares of Marathon common stock issued in the initial public offering may, if the stockholder affirmatively votes against the Merger, demand that Marathon convert such shares into cash. This includes any stockholder who acquires shares issued in the initial public

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offering through purchases following the initial public offering, and such stockholder is entitled to conversion rights. This demand must be made in writing prior to the close of the vote on the Merger Proposal at the special meeting. Such demand may be made by checking the box on the proxy card provided for that purpose and returning the proxy card in accordance with the instructions provided. Such demand may also be made in any other writing that clearly states that conversion is demanded and is delivered such that it is received by Marathon at any time up to the special meeting.

In addition, in order to exercise conversion rights, an eligible stockholder must continue to hold its shares through the completion of the Merger and thereafter tender the physical stock certificate to Mellon Investor Services LLC, our transfer agent, together with written instructions that such stockholder wishes to convert its shares and receive its per share conversion price. Certificates that have not been tendered will not be converted into cash even if such stockholder has elected to exercise its conversion rights. If an eligible stockholder holds the shares in street name within ten business days following the vote on the Merger Proposal, it will need to instruct the account executive at its bank, broker or nominee to electronically transfer its shares to the DTC account of Mellon Investor Services LLC, stock transfer agent.

If the conversion is properly demanded by following the instructions described above and the Merger is completed, Marathon will convert each share of common stock into cash. The actual per share conversion price will be equal to the aggregate amount then on deposit in the trust account, before payment of deferred underwriting discounts and commissions and including accrued interest, net of any accrued income taxes on such interest, which shall be paid from the trust account, and net of interest income of \$3.9 million previously released to Marathon to fund working capital requirements (subject to the tax holdback) (calculated as of two business days prior to the consummation of the Merger), divided by the number of shares sold in the initial public offering. As of March 31, 2008, there was approximately \$316 million in the Marathon trust account (inclusive of the deferred underwriting compensation) plus accrued interest on the funds in the trust account and less accrued taxes, or approximately \$7.90 per share issued in the initial public offering. If an eligible stockholder elects to exercise its conversion rights, then it will be exchanging its shares of Marathon common stock for cash and will no longer own the shares after the Merger. Prior to exercising conversion rights, Marathon stockholders should verify the market price of common stock, as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights if the market price per share is higher than the conversion price.

If the Merger is not completed, these shares will not be converted into cash. If Marathon is unable to complete the Merger or an alternative business combination by August 30, 2008, Marathon will be required to commence proceedings to dissolve and liquidate. In such event, Marathon expects that the public stockholders will receive at least the amount they would have received if they sought conversion of their shares and Marathon had completed the Merger. However, Marathon's dissolution and liquidation may be subject to substantial delays and the amounts in the trust account, and each public stockholder's pro rata portion thereof, may be subject to the claims of creditors or other third parties.

If the holders of 20% (8,003,167) or more of the shares of common stock issued in the initial public offering vote against adoption of the Merger Proposal and demand conversion of their shares, Marathon will not complete the Merger.

## **Recommendations of the Boards of Directors and Reasons for the Merger**

After careful consideration of the terms and conditions of each proposal, the board of directors of Marathon has determined that the Merger and the related transactions and each proposal made in this joint proxy statement/prospectus are fair to and in the best interests of Marathon and its stockholders. In reaching its decision with respect to the Merger and the related transactions, the board of directors of Marathon reviewed various industry and financial data and considered the due diligence and evaluation materials provided by Global Ship Lease in order to determine that the consideration to be paid in connection with the Merger was reasonable. On March 18, 2008, Jefferies & Company, Inc. ( Jefferies ) delivered to Marathon's board of directors its oral opinion



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(confirmed in writing on March 21, 2008) that, as of that date and based upon and subject to the factors, limitations and assumptions described in the opinion, the consideration to be paid by Marathon pursuant to the Merger and the related transactions was fair from a financial point of view to Marathon, and the fair market value of Global Ship Lease was at least equal to 80% of the balance of the trust account (excluding deferred underwriting discounts and commissions of approximately \$6.4 million). Accordingly, Marathon's board of directors concluded that the Merger meets the requirements for a business combination set forth in Marathon's initial public offering prospectus and certificate of incorporation and recommends that Marathon stockholders vote FOR the Merger Proposal, the Certificate Amendment Proposal and the Adjournment Proposal.

### **Interests of Certain Persons in the Merger**

When you consider the recommendation of Marathon's board of directors in favor of adoption of the Merger Proposal, you should keep in mind that Marathon's directors and officers have interests in the Merger that are different from, or in addition to, your interests as a stockholder.

If we do not complete the proposed Merger or an alternative business combination by August 30, 2008, Marathon will be required to commence proceedings to dissolve and liquidate. In such event, the 9,375,000 shares of common stock and 5,500,000 warrants held by Marathon's initial stockholders and Marathon Investors, LLC that were acquired prior to the initial public offering will be worthless because the Marathon initial stockholders and Marathon Investors, LLC have waived any rights to receive any liquidation proceeds with respect to these securities. The common stock and warrants had an aggregate market value (without taking into account any discount due to the restricted nature of such securities) of \$76,218,750 based on the closing sale prices of \$7.51 and \$0.62, respectively, on the AMEX and the OTC Bulletin Board on July 7, 2008, the record date.

Marathon initial stockholders and Marathon Investors, LLC hold an aggregate of 9,375,000 shares of Marathon common stock and 5,500,000 warrants that they purchased prior to the initial public offering for a total consideration of approximately \$25,000 and \$5,500,000, respectively. In light of the amount of consideration paid, Marathon's directors and officers will likely benefit from the completion of Merger even if the Merger causes the market price of Marathon's securities to significantly decrease. This may influence their motivation for promoting the Merger and/or soliciting proxies for the adoption of the Merger Proposal.

With respect to the proposal for approval of the Merger only, each of Marathon's initial stockholders has agreed to vote all of his or its initial shares in accordance with the majority of the votes cast with respect to the Merger Proposal by the holders of the shares issued in the initial public offering, and any shares acquired in or after the initial public offering in favor of the Merger Proposal. This voting arrangement does not apply to any proposal other than the Merger Proposal. With respect to the Consent Solicitation, Marathon Investors, LLC owns 5,500,000 of the 45,535,850 outstanding warrants. While Marathon Investors, LLC and Marathon's officers and directors are not subject to any voting arrangement with respect to the Consent Solicitation, they have informed Marathon that they intend to give their consent for all warrants currently held, as well as any warrants that they may subsequently acquire. Furthermore, Marathon's officers and directors and their respective affiliates, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Marathon or its securities, may enter into a written plan to purchase Marathon securities pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and may engage in other permissible public market purchases, as well as private purchases, of securities. On June 4, 2008, Mr. Gross entered into a stock purchase plan with Citigroup Global Markets Inc. (Citi), in accordance with the guidelines of Rule 10b5-1 and the provisions of Rule 10b-18 of the Exchange Act, under which he placed a limit order to purchase up to two million shares (or approximately 4% of the outstanding shares) of Marathon common stock at a price of \$8 per share or below. Purchases commenced on June 4, 2008 and terminated on July 3, 2008, the last business day preceding the record date for the special meeting.

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Mr. Gross used his own personal funds to acquire the shares purchased under the stock purchase plan to provide additional liquidity to Marathon stockholders and to demonstrate his further personal financial commitment to Marathon and the Merger. Under this plan, 2,000,000 shares were purchased at prices between \$7.59 and \$7.87 with an average price of \$7.84 per share. If Marathon's initial stockholders, Marathon Investors, LLC or Marathon's officers and directors purchase securities from existing Marathon stockholders that are likely to vote against the transaction, or that are likely to elect to convert their shares, or Marathon warrant holders that are likely to withhold their consent, the probability that the business combination will succeed, and that the required number of warrant consents will be received, increases.

After the completion of the Merger, we expect Mr. Gross will continue to serve as a member of the board of directors of GSL Holdings. As such, in the future he may receive cash compensation, board fees, stock options or stock awards if the GSL Holdings board of directors so determines. Mr. Gross is currently expected to receive an annual payment of \$100,000 for his service on the GSL Holdings board of directors after the closing of the Merger.

If Marathon dissolves and liquidates prior to the consummation of a business combination, Mr. Gross, pursuant to a written agreement executed in connection with the initial public offering, will be personally liable to ensure that the proceeds in the trust account are not reduced by the claims of any vendor or other party with which Marathon has contracted for services rendered or products sold to Marathon and target businesses who have entered into written agreements, such as a letter of intent or confidentiality agreement, to the extent such claim actually reduces the amount of funds in the trust account. However, Mr. Gross has agreed to indemnify only if such party has not executed a waiver of its claims or a waiver of its rights to any distribution from the trust account. This agreement was entered into to reduce the risk that, in the event of Marathon's dissolution and liquidation, the trust account is reduced by claims of creditors. However, Marathon cannot assure you that Mr. Gross will be able to satisfy these indemnification obligations. If the Merger is completed, such obligations will terminate.

In addition, the exercise of Marathon's directors' and officers' discretion in agreeing to changes or waivers in the terms of the transaction may result in a conflict of interest when determining whether such changes or waivers are appropriate and in our stockholders' best interest.

### **Certain Other Interests in the Merger**

In addition to the interests of Marathon's directors and officers in the Merger, you should keep in mind that certain individuals promoting the Merger and/or soliciting proxies on behalf of Marathon have interests in the Merger that are different from, or in addition to, your interests as a stockholder.

Citi, an underwriter in Marathon's initial public offering, may be assisting Marathon's directors and officers in connection with these efforts. In connection with Marathon's initial public offering, the underwriters (including Citi) agreed to defer fees equal to 2% of the gross proceeds from the sale of the units to the public stockholders, or approximately \$6.4 million, until the consummation of Marathon's initial business combination. Marathon will not pay the underwriters' additional fees in connection with any such efforts.

In addition, Citi is serving as the financial advisor to CMA CGM and will be paid a fee of \$6.5 million if the Merger is consummated. CMA CGM may cause Global Ship Lease to pay Citi's financial advisory fee and expenses incurred in connection with the Merger.

### **Consent Solicitation**

In connection with the Merger, Marathon is soliciting consents from holders of its warrants to amend the warrant agreement that would clarify that the business combination contemplated by the warrant agreement and the other merger-related provisions include the Merger and the transactions contemplated by the merger.

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agreement. Warrantholders must validly deliver (and not revoke) consents in respect of at least a majority of the currently issued and outstanding warrants in order for the amendment to be effected. Receipt of the requisite consents is a condition to the Merger.

### **Material U.S. Federal Income Tax Consequences**

It is a condition to consummation of the Merger that Marathon shall have received an opinion of Akin Gump Strauss Hauer & Feld LLP, special tax counsel to Marathon and GSL Holdings, to the effect that the Migratory Merger should qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code, and that no gain or loss should be recognized on the exchange of the Marathon common stock held by the stockholders of Marathon for shares of GSL Holdings. In addition, assuming the Migratory Merger qualifies as a reorganization, (1) no gain or loss will be recognized as a result of the exchange of warrants of Marathon for warrants of GSL Holdings, (2) the federal tax basis of the warrants of GSL Holdings received by the holders of Marathon warrants in the Migratory Merger will be the same as the adjusted tax basis of the Marathon warrants surrendered in exchange therefor, and (3) the holding period of the warrants of GSL Holdings received in the Migratory Merger by the holders of Marathon warrants will include the period during which such Marathon warrants were held as capital assets on the date of the Migratory Merger.

Marathon believes that it will not incur any substantial amount of U.S. federal income tax as a result of the Migratory Merger. However, it is possible that Marathon could recognize U.S. federal income tax as a result of the Migratory Merger and such tax could be substantial. Any tax incurred by Marathon as a result of the Migratory Merger would become a liability of GSL Holdings.

See [Material U.S. Federal Income Tax Consequences](#) [Tax Consequences of the Migratory Merger](#) for a more comprehensive discussion of the tax aspects of the Merger.

**The opinions of tax counsel neither bind the Internal Revenue Service, or IRS, nor preclude the IRS or courts from adopting a contrary position. In addition, certain types of investors specifically referred to in [Material U.S. Federal Income Tax Consequences](#) may be subject to special rules for U.S. federal income tax purposes. The tax consequences to investors will depend on their own particular situation. Accordingly, Marathon investors may want to consult their tax advisors for a full understanding of the particular tax consequences to them.**

### **Anticipated Accounting Treatment**

The Merger will be accounted for using the purchase method of accounting, with Marathon being treated as the acquiring entity for accounting purposes. Marathon is required to record the acquired tangible and identifiable intangible assets and assumed liabilities ( net acquired assets ) of Global Ship Lease at fair value. The acquisition will result in an excess of the fair value of net acquired assets over the fair value of the consideration to be given for the acquisition. This excess has been allocated pro rata to identified intangible assets, vessels in operation and other fixed assets. The assets of Marathon will continue to be reported at historical cost. Results of operations of Global Ship Lease will be included with Marathon from the date of acquisition.

### **Regulatory Approvals**

Marathon and GSL Holdings do not expect that the Merger will be subject to any state or federal regulatory requirements other than filings under applicable securities laws and the effectiveness of the registration statement of which this joint proxy statement/prospectus is part, and the filing of certain merger documents with the Registrar of Corporations of the Republic of the Marshall Islands and with the Secretary of State of the State of Delaware. Marathon and Global Ship Lease intend to comply with all such requirements. The parties have determined that a filing under the Hart Scott Rodino Antitrust Improvements Act is not required for the consummation of the Merger and related transactions.

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**GLOBAL SHIP LEASE SUMMARY FINANCIAL INFORMATION**

You should read the information set forth below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of Global Ship Lease and Global Ship Lease's combined financial statements and notes thereto, which are referred to as Global Ship Lease's combined financial statements, included elsewhere in this joint proxy statement/prospectus. Global Ship Lease uses the term Predecessor Group to mean the container shipping services provided by the 10 secondhand vessels and two newly built vessels in Global Ship Lease's initial fleet when these vessels were owned and operated by CMA CGM and its subsidiaries rather than to mean any particular entity or entities.

The historical summary combined financial data as of March 31, 2008 and for the three months ended March 31, 2008 and March 31, 2007, as of December 31, 2007 and 2006 and for each of the years then ended together with such information for the year ended December 31, 2005 have been derived from audited and unaudited combined financial statements of Global Ship Lease included elsewhere in this joint proxy statement/prospectus. The historical summary combined financial data as of December 31, 2005 and for the year ended December 31, 2004 is derived from carve-out information of the Predecessor Group prepared by management of CMA CGM. Summary historical financial data as of December 31, 2003 and for the year then ended is not provided because carve-out financial statements for the Predecessor Group as of dates prior to January 1, 2004 and periods ending prior to such date cannot be prepared without unreasonable effort and cost. Certain financial information has been rounded, and, as a result, certain totals shown in this joint proxy statement/prospectus may not equal the arithmetic sum of the figures that should otherwise aggregate to those totals. In addition, as discussed elsewhere in joint proxy statement/prospectus, there are significant differences between Global Ship Lease's business after the acquisition of its initial fleet and the business of Global Ship Lease's Predecessor Group to which most of the historical financial and operating data included in this joint proxy statement/prospectus statement applies. The Predecessor Group's business was the operation of vessels earning revenue from carrying cargo for customers, whereas Global Ship Lease operates as a vessel owner, earning revenue from chartering out its vessels. Accordingly, the summary historical combined financial data, which includes mainly the Predecessor Group's trading activities of the vessels earning freight rates or revenue from carrying cargo for third party customers, are not indicative of the results Global Ship Lease would have achieved had it historically operated as an independent shipowning company earning charterhire or of Global Ship Lease's future results. This information should be read together with, and is qualified in its entirety by, Global Ship Lease's combined financial statements and the notes thereto included elsewhere in this joint proxy statement/prospectus.

**Table of Contents****GLOBAL SHIP LEASE, INC.**

The following combined financial information is not representative of Global Ship Lease's future operations as Global Ship Lease will derive its revenue only from chartering out its vessels under long-term fixed rate time-charters. Please refer to the GSL Holdings unaudited pro forma financial information included elsewhere in this joint proxy statement/prospectus, which reflects the pro forma effects of these charters and related agreements on Global Ship Lease's results of operations and financial condition.

	Summary combined financial information					
	Three months ended March 31,		Year ended December 31,			
	2008	2007	2007	2006	2005	2004
(in millions of U.S. dollars, except per share data)						
<b>Statement of Income</b>						
<b>Operating revenues:</b>						
Freight revenue (1)	\$ 2.1	\$ 77.0	\$ 332.2	\$ 299.6	\$ 111.6	\$ 58.1
Time charter revenue (2)	21.8		2.9			
<b>Operating expenses:</b>						
Voyage expenses (3)	(1.9)	(58.5)	(249.5)	(213.1)	(70.2)	(38.6)
Vessel expenses	(7.3)	(5.8)	(24.0)	(22.6)	(13.7)	(8.7)
Depreciation	(5.0)	(3.8)	(16.1)	(16.7)	(7.2)	(5.3)
General and administrative (4)	(0.7)	(2.9)	(17.8)	(11.3)	(2.7)	(1.3)
Other operating income / (expense)	(0.3)	(0.1)	2.3	11.9	(2.5)	
<b>Total operating expenses</b>	<b>(15.3)</b>	<b>(71.0)</b>	<b>(304.9)</b>	<b>(251.9)</b>	<b>(96.2)</b>	<b>(53.9)</b>
<b>Operating income</b>	<b>8.6</b>	<b>5.9</b>	<b>30.2</b>	<b>47.7</b>	<b>15.4</b>	<b>4.2</b>
<b>Non operating income/expense</b>						
Interest income	0.3		0.2			
Interest expense	(8.2)	(2.5)	(13.6)	(15.1)	(6.4)	(2.6)
<b>Income before income taxes</b>	<b>0.7</b>	<b>3.5</b>	<b>16.8</b>	<b>32.7</b>	<b>9.0</b>	<b>1.7</b>
Taxes on income						
<b>Net income</b>	<b>\$ 0.6</b>	<b>\$ 3.5</b>	<b>\$ 16.8</b>	<b>\$ 32.7</b>	<b>\$ 9.0</b>	<b>\$ 1.7</b>
Net income per share in thousand \$ per share						
Basic and diluted (5)	6	35	168	327	90	17
Weighted average number of common shares outstanding						
Basic and diluted	100	100	100	100	100	100
<b>Statement of cash flow</b>						
Net cash from operating activities	\$ 3.9	\$ 5.9	\$ 56.6	\$ 22.8	\$ 17.4	\$ 3.0
<b>Balance sheet data (at period end)</b>						
Total current assets	8.8	n/a	192.9	32.1	11.2	n/a
Total vessels	471.9	n/a	475.3	286.2	177.8	n/a

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Total assets	485.9	n/a	674.6	344.5	203.0	n/a
Long-term debt (current and non-current portion)	401.1	n/a	401.1	139.2	109.9	n/a
Shareholder loan (6)	176.9	n/a	176.9			n/a
Stockholder s Equity	(101.0)	n/a	87.5	170.0	18.4	n/a

- (1) This line item reports revenue earned by the Predecessor Group by carrying cargo on the vessels.
- (2) This line item reports revenues earned from Global Ship Lease s chartering business following the purchase of its initial fleet of 10 secondhand vessels in December 2007.

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- (3) This line item reports the voyage related expenses of carrying cargo by the Predecessor Group.
- (4) Global Ship Lease's combined financial statements include the general and administrative expenses incurred by its Predecessor Group related to its operations and such costs incurred by Global Ship Lease as a wholly owned subsidiary of CMA CGM. Subsequent to the completion of the Merger, Global Ship Lease will incur additional administrative expenses, including legal, accounting, treasury, premises, securities regulatory compliance and other costs normally incurred by an independent listed public entity. Accordingly, general and administrative expenses incurred by and allocated to the Predecessor Group do not purport to be indicative of future expenses.
- (5) The weighted average number of shares outstanding of Global Ship Lease as of March 31, 2008 has been used for purposes of computing earnings per share for all presented prior periods.
- (6) Amounts due to group companies that will not be assumed by GSL Holdings following completion of the Merger.

**Table of Contents****MARATHON SUMMARY FINANCIAL INFORMATION**

Marathon was incorporated in Delaware on April 27, 2006 as a blank check company for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses. Marathon has not acquired an entity as of the date of this joint proxy statement/prospectus. Marathon has selected December 31 as its fiscal year end. Marathon is considered to be in the development stage and is subject to the risks associated with activities of development stage companies. The condensed financial information set forth below should be read in conjunction with the audited financial statements of Marathon for the period from inception to December 31, 2007 and for the fiscal years ended December 31, 2006 and 2007, as well as the unaudited financial statements of Marathon for the three months ended March 31, 2008 and 2007 and related notes included elsewhere in this joint proxy statement/prospectus.

**Marathon Acquisition Corp.****Balance Sheets**

	<b>March 31, 2008 (Unaudited)</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
Cash and cash equivalents	\$ 2,132,372	\$ 2,671,034	\$ 1,370,943
Investments held in trust account	316,142,702	314,130,809	308,608,131
Interest receivable	450,781	999,199	1,333,770
Prepaid expenses	945,932	498,074	181,304
Deferred tax asset			193,441
Deferred acquisition costs	1,421,951		
<b>Total assets</b>	<b>\$ 321,093,738</b>	<b>\$ 318,299,116</b>	<b>\$ 311,687,589</b>
Total liabilities	10,211,133	6,616,181	6,687,450
Common stock subject to possible redemption	61,795,116	61,795,116	61,795,116
Interest attributable to common stock subject to possible conversion (net of income taxes of \$1,156,989)	1,612,462	1,402,720	
Total stockholders' equity	247,475,027	248,485,099	243,205,023
<b>Total liabilities and stockholders' equity</b>	<b>\$ 321,093,738</b>	<b>\$ 318,299,116</b>	<b>\$ 311,687,589</b>



**Table of Contents****Marathon Acquisition Corp.****Statements of Operations**

	Three Months ended March 31, 2008 (Unaudited)	Three Months ended March 31, 2007 (Unaudited)	Period from April 27, 2006 (inception) through March 31, 2008	For the year ended December 31, 2007	For the period April 27, 2006 (inception) through December 31, 2006
Loss from operations	\$ (1,862,784)	\$ (286,275)	\$ (3,470,688)	\$ (1,183,948)	\$ (423,957)
Interest income	1,953,413	3,911,907	22,082,681	14,875,339	5,253,929
Income before provision for income taxes	90,629	3,625,632	18,611,993	13,691,391	4,829,972
Provision for income taxes	(890,960)	(1,639,000)	(10,082,512)	7,008,594	2,182,957
<b>Net Income (loss)</b>	<b>(800,331)</b>	<b>1,986,632</b>	<b>8,529,481</b>	<b>6,682,797</b>	<b>2,647,015</b>
Less: Interest attributable to common stock subject to possible conversion (net of income taxes of \$172,998, \$182,817 \$1,329,987, \$172,998, \$182,817 and \$1,329,987)	(209,741)	(221,646)	(1,612,462)	(1,402,721)	
Net income (loss) attributable to common stock not subject to possible conversion	\$ (1,010,072)	\$ 1,764,986	\$ 6,917,019	\$ 5,280,076	\$ 2,647,015
Maximum number of shares subject to possible conversion:					
Weighted average shares outstanding subject to possible conversion	8,033,166	8,033,166		8,003,166	4,162,937
Income (loss) per share amount (basic and diluted)	\$ (0.03)	\$ 0.03		\$ 0.18	\$ 0.00
Weighted average number of shares outstanding not subject to possible conversion					
Basic	41,407,684	41,407,684		41,407,684	26,035,219
Diluted	41,407,684	50,682,881		52,374,624	30,224,108
Net income (loss) per share amount					
Basic	\$ (0.02)	\$ 0.04		\$ 0.13	\$ 0.10
Diluted	\$ (0.02)	\$ 0.03		\$ 0.10	\$ 0.09

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**GSL HOLDINGS, INC. SUMMARY FINANCIAL INFORMATION**

The following summary unaudited pro forma combined balance sheet presents the financial position of GSL Holdings as of March 31, 2008, assuming the Merger had been completed as of that date. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Merger and factually supportable. GSL Holdings was recently formed on March 14, 2008, did not have any assets or operations as of March 31, 2008, and therefore has not been included within this analysis because its results would not differ from those of Marathon.

The summary unaudited pro forma combined financial information shows the impact of the Merger on the combined balance sheets and the combined income statement under the purchase method of accounting with Marathon treated as the acquiror. Under this method of accounting, the assets and liabilities of Global Ship Lease are recorded by Marathon at their estimated fair values as of the acquisition date. The summary unaudited pro forma combined balance sheet as of March 31, 2008 assumes the Merger was completed on that date.

The summary unaudited pro forma combined income statements for the year ended December 31, 2007 and for the three months ended March 31, 2008 were prepared assuming the Merger was completed on January 1, 2007.

The pro forma statement of income reflects the contracted charterhire revenue of the 10 secondhand vessels in the initial fleet at the amended charterhire rates which were agreed upon as part of the merger transaction which were operated by Global Ship Lease's Predecessor Group until their sale to Global Ship Lease in December 2007 and that are now chartered to CMA CGM by Global Ship Lease under long-term charter agreements. Additionally, the pro forma statement of income includes the contracted charterhire revenue and related expenses including depreciation and interest expense for the two newly built vessels for the period from delivery to the Predecessor Group on November 5, 2007 and December 27, 2007 through December 31, 2007 and through March 31, 2008.

The pro forma financial information does not reflect the five contracted vessels, four of which are expected to be delivered in December 2008, and one of which is expected to be delivered in July 2009.

The pro forma balance sheet does not reflect the impact of the starting dividend, which will not be declared until after the completion of the Merger.

It is anticipated that the Merger will provide financial benefits such as possible expense efficiencies among other factors, although no assurances can be given that such benefits will actually be achieved. These benefits have not been reflected in the unaudited pro forma financial information. As required, the unaudited pro forma combined financial information includes adjustments which give effect to events that are directly attributable to the transaction, expected to have a continuing impact and are factually supportable; as such, any planned adjustments affecting the balance sheet, statement of operations, or shares of common stock outstanding subsequent to the assumed acquisition completion date are not included. The summary unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined businesses had they actually been combined on the dates noted above. However, management believes (a) that the assumptions used provide a reasonable basis for presenting the significant effect of (i) the change in activity from the activities of the CMA CGM as a ship operator deriving its revenue from the provision of containerized transportation to Global Ship Lease's activities as a ship owner deriving its revenue from long-term time charters and (ii) the Merger, and (b) that the pro forma adjustments give appropriate effect to the assumptions and are properly applied in the summary unaudited pro forma financial statements.

As explained in more detail in the notes to the unaudited pro forma combined financial information under Unaudited Pro Forma Combined Financial Information, the allocation of the purchase price reflected in the pro forma combined financial information is subject to adjustment. The actual purchase price allocation will be recorded based upon final estimated fair values of the assets and liabilities acquired, which is likely to vary from the purchase price allocations adopted in the pro forma combined financial statements. In addition, there may be further refinements of the purchase price allocation as additional information becomes available.

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The summary unaudited pro forma combined financial information is derived from and should be read in conjunction with the financial statements and related notes of Marathon and the combined financial statements and related notes of Global Ship Lease, which are included in this joint proxy statement/prospectus. For further information, see Unaudited Pro Forma Combined Financial Information and related notes.

**GSL HOLDINGS, INC.**

	Pro Forma financial information (4)			
	Three months ended March 31, 2008		Year ended December 31, 2007	
	No conversions	Maximum conversions	No conversions	Maximum conversions
(\$ millions except per share)				
<b>Statement of Income</b>				
<b>Operating revenues:</b>				
Time charter revenue (1)	\$ 24.0	\$ 24.0	\$ 74.0	\$ 74.0
<b>Operating expenses:</b>				
Vessel expenses	(7.4)	(7.4)	(23.5)	(23.5)
Depreciation	(5.7)	(5.7)	(17.5)	(17.5)
General and administrative	(2.0)	(2.0)	(8.0)	(8.0)
Other operating income / (expense)				
<b>Total operating expenses</b>	<b>(15.1)</b>	<b>(15.1)</b>	<b>(48.9)</b>	<b>(48.9)</b>
<b>Operating income</b>	<b>8.9</b>	<b>8.9</b>	<b>25.1</b>	<b>25.1</b>
<b>Non operating income/expense</b>				
Interest income	0.3	0.3	0.2	0.2
Interest expense	(2.4)	(3.1)	(2.9)	(6.7)
<b>Income before income taxes</b>	<b>6.8</b>	<b>6.1</b>	<b>22.4</b>	<b>18.6</b>
Taxes on income			(0.1)	(0.1)
<b>Net income</b>	<b>\$ 6.8</b>	<b>\$ 6.1</b>	<b>\$ 22.3</b>	<b>\$ 18.5</b>
Weighted average number of Class A common shares outstanding (2)				
Basic	52,255,450	44,252,284	52,255,450	44,252,284
Diluted	62,701,774	54,698,608	62,499,821	54,496,655
Net income per share amount				
Basic	\$ 0.13	0.14	0.43	0.42
Diluted	\$ 0.11	0.11	0.36	0.34
Weighted average number of Class B common shares outstanding (2)				
Basic	10,000,000	10,000,000	10,000,000	10,000,000
Diluted	10,000,000	10,000,000	10,000,000	10,000,000
Net income per share amount				
Basic	\$	\$	\$	\$
Diluted	\$	\$	\$	\$
Weighted average number of Class C common shares outstanding (2)				
Basic	12,375,000	12,375,000	12,375,000	12,375,000
Diluted	12,375,000	12,375,000	12,375,000	12,375,000
Net income per share amount				
Basic	\$	\$	\$	\$
Diluted	\$	\$	\$	\$
<b>Balance sheet data (at period end)</b>				
Total current assets	21.2	21.2	n/a	n/a

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Total vessels	696.1	696.1	n/a	n/a
Total assets	763.1	763.1	n/a	n/a
Long-term debt (current and non-current portion)	186.6	250.0	n/a	n/a
Shareholder loan			n/a	n/a
Stockholders Equity	498.5	435.1	n/a	n/a

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- (1) This line item represents Global Ship Lease's pro-forma charter hire receivable for its initial fleet under the long-term charter arrangements in place with CMA CGM based on the actual number of days each ship was in operation during the relevant period. Please see notes M, N and O to the Unaudited Pro Forma Combined Income Statement on pages 102 through 104.
- (2) Please refer to note AB to the unaudited pro forma combined financial information for the determination of the weighted average number of shares outstanding used for the purpose of calculating the net income per share amounts.
- (3) The pro forma combined financial information for GSL Holdings for the three months ended March 31, 2008 and for the year ended December 31, 2007 adjusts the combined financial information for those periods to eliminate the financial information relating to the operations of the Predecessor Group in its business of carrying containerized cargo and to include the effect of Global Ship Lease's chartering and associated contracts as if they had been in place for the entire period, to the extent the relevant vessels were owned by the Predecessor Group, rather than just from the dates of transfer of the individual vessels as well as to reflect the impact of the Merger under the purchase method of accounting with Marathon as the acquiror.
- (4) The pro forma financial information is presented with no conversion of common stock into cash and on the basis of maximum conversion of 19.99% (or 8,003,166 shares) of common stock. Please see note L to the Unaudited Pro Forma Combined Balance Sheet on page 101.

**Table of Contents****MARKET PRICE INFORMATION**

Marathon's units, which consist of one share of Marathon's common stock, par value \$0.0001 per share, and one warrant, each to purchase an additional share of Marathon's common stock, have traded on the AMEX under the symbol MAQ.U since the initial public offering. Marathon's common stock has traded separately on the AMEX under the symbol MAQ since September 29, 2006. Marathon's warrants have traded separately on the OTC Bulletin Board under the symbol MAQ.WS since September 29, 2006. Each warrant entitles the holder to purchase from Marathon one share of common stock at an exercise price of \$6.00 upon the completion of a business combination. Marathon's warrants will expire at 5:00 p.m., New York City time, on August 24, 2010, or earlier upon redemption. Marathon has not paid any dividends on its common stock.

The following tables set forth, for the calendar quarter indicated, the quarterly high and low sale prices for Marathon's units, common stock and warrants, respectively, as reported on the AMEX and the OTC Bulletin Board, as applicable.

**Units**

<b>Quarter ended</b>	<b>High</b>	<b>Low</b>
July 7, 2008 <sup>(1)</sup>	\$ 8.56	\$ 8.00
June 30, 2008	\$ 8.86	\$ 8.08
March 31, 2008	\$ 9.13	\$ 8.08
December 31, 2007	\$ 9.56	\$ 8.97
September 30, 2007	\$ 10.00	\$ 9.25
June 30, 2007	\$ 9.80	\$ 8.98
March 31, 2007	\$ 9.21	\$ 8.45
December 31, 2006	\$ 8.40	\$ 7.70
September 30, 2006 <sup>(2)</sup>	\$ 8.25	\$ 7.86

<sup>(1)</sup> Represents the high and low sale prices for Marathon's units from July 1, 2008 through July 7, 2008.

<sup>(2)</sup> Represents the high and low sale prices for Marathon's units from Marathon's initial public offering on August 24, 2006 through September 30, 2006.

**Common Stock**

<b>Quarter ended</b>	<b>High</b>	<b>Low</b>
July 7, 2008 <sup>(1)</sup>	\$ 7.77	\$ 7.51
June 30, 2008	\$ 7.87	\$ 7.68
March 31, 2008	\$ 7.95	\$ 7.65
December 31, 2007	\$ 8.00	\$ 7.71
September 30, 2007	\$ 8.05	\$ 7.75
June 30, 2007	\$ 7.96	\$ 7.56
March 31, 2007	\$ 7.72	\$ 7.31
December 31, 2006	\$ 7.60	\$ 7.10
September 30, 2006 <sup>(2)</sup>	\$ 7.30	\$ 7.15

<sup>(1)</sup> Represents the high and low sale prices for Marathon's common stock from July 1, 2008 through July 7, 2008.

<sup>(2)</sup> Represents the high and low sale prices for Marathon's shares of common stock from September 29, 2006, the date that Marathon's common stock first became separately tradable, through September 30, 2006.

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**Warrants**

<b>Quarter ended</b>	<b>High</b>	<b>Low</b>
July 7, 2008 <sup>(1)</sup>	\$0.80	\$0.62
June 30, 2008	\$0.98	\$0.50
March 31, 2008	\$1.46	\$0.45
December 31, 2007	\$1.74	\$1.21
September 30, 2007	\$2.00	\$1.60
June 30, 2007	\$1.90	\$1.47
March 31, 2007	\$1.56	\$0.97
December 31, 2006	\$0.90	\$0.58
September 30, 2006 <sup>(2)</sup>	\$0.90	\$0.70

<sup>(1)</sup> Represents the high and low sale prices for Marathon s warrants from July 1, 2008 through July 7, 2008.

<sup>(2)</sup> Represents the high and low sale prices for Marathon s warrants from September 29, 2006, the date that Marathon s warrants first became separately tradable, through September 30, 2006.

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**RISK FACTORS**

*You should consider carefully the following risk factors, as well as the other information set forth in this joint proxy statement/prospectus, before making a decision on the Merger.*

**Risk Factors Relating to Global Ship Lease**

**Global Ship Lease's growth depends on its ability to expand its relationship with CMA CGM and obtain new charterers, for which Global Ship Lease will face substantial competition.**

One of Global Ship Lease's principal objectives is to acquire additional vessels and charter them out to container shipping companies as charterers. The process of obtaining new charterers is highly competitive and often takes several months. Charters are awarded based upon a variety of factors relating to the vessel owner, including:

competitiveness of overall price;

containership experience and quality of ship operations (including cost effectiveness);

shipping industry relationships and reputation for reliability, customer service and safety;

quality and experience of seafaring crew;

the ability to finance containerships at competitive rates and financial stability generally;

relationships with shipyards and the ability to get suitable berths for newbuildings; and

construction management experience, including the ability to obtain on-time delivery of new vessels according to customer specifications.

Global Ship Lease expects substantial competition in expanding its business, including with respect to obtaining new containership charters, from a number of experienced and substantial companies. Many of these competitors currently have significantly greater financial resources than Global Ship Lease does, and can therefore operate larger fleets and may be able to offer better charter rates. There may be an increasing number of owners with vessels available for charter, including many with strong reputations and extensive resources and experience. This increased competition may cause greater price competition for charters. As a result of these factors, Global Ship Lease may be unable to maintain or expand its relationships with CMA CGM or to obtain new charterers on a profitable basis, if at all, which would have a material adverse effect on its business, results of operations and financial condition and its ability to pay dividends to its shareholders.

**Global Ship Lease may be unable to make or realize expected benefits from vessel acquisitions, and implementing its growth strategy through acquisitions may harm its business, financial condition and operating results.**

Global Ship Lease's growth strategy includes, among other things, selectively acquiring newbuildings and secondhand vessels. Growing any business through acquisition presents numerous risks, such as undisclosed liabilities and obligations, the possibility that indemnification agreements will be unenforceable or insufficient to cover potential losses and obtaining the necessary resources to manage an enlarged business. Global Ship Lease cannot give any assurance that it will be successful in executing its growth plans, that Global Ship Lease will be able to employ acquired vessels under long-term charters or have ship management agreements with similar or better terms than those Global Ship Lease has obtained from its Ship Manager or that it will not incur significant expenses and losses in connection with its future growth.



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Factors that may limit Global Ship Lease's ability to acquire additional vessels include the limited shipyard capacity for newbuildings, the relatively small number of independent fleet owners and the limited number of modern vessels with appropriate characteristics not subject to existing long-term or other charters. Competition from other purchasers could reduce Global Ship Lease's acquisition opportunities or cause Global Ship Lease to pay higher prices.

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Any acquisition of a vessel may not be profitable to Global Ship Lease and may not generate cash flow sufficient to justify Global Ship Lease's investment. In addition, Global Ship Lease's acquisition growth strategy exposes Global Ship Lease to risks that may harm its business, financial condition and operating results, including risks that Global Ship Lease may:

fail to obtain financing, ship management agreements and charters on acceptable terms in order to make any acquisition accretive to earnings and dividends per common share;

be unable, including through its ship managers, to hire, train or retain qualified shore and seafaring personnel to manage and operate its growing business and fleet;

fail to realize anticipated benefits of cost savings or cash flow enhancements;

decrease its liquidity by using a significant portion of its available cash or borrowing capacity to finance acquisitions;

significantly increase its interest expense or financial leverage if Global Ship Lease incurs additional debt to finance acquisitions;

incur or assume unanticipated liabilities, losses or costs associated with the vessels acquired; or

not be able to maintain its ability to pay regular dividends.

Unlike newbuildings, secondhand vessels typically do not carry warranties as to their condition at the time of acquisition. While Global Ship Lease would inspect existing containerships prior to purchase, such an inspection would normally not provide Global Ship Lease with as much knowledge of a containership's condition as if it had been built for Global Ship Lease and operated by Global Ship Lease during its life. Future repairs and maintenance costs for existing vessels may be difficult to predict and may be substantially higher than for equivalent vessels Global Ship Lease has operated since they were built. These additional costs could decrease Global Ship Lease's cash flow and reduce its liquidity and its ability to pay dividends.

**Global Ship Lease cannot assure you that it will be able to borrow amounts under its credit facility, and restrictive covenants in its credit facility may impose financial and other restrictions on Global Ship Lease, such as limiting its ability to pay dividends.**

Global Ship Lease established an \$800 million credit facility with Fortis Bank (Nederland) N.V., Citibank Global Markets Limited, HSH Nordbank AG, Sumitomo Mitsui Banking Corporation, Brussels Branch, KfW and DnB Nor Bank ASA, which Global Ship Lease used to acquire its initial fleet and intends to use to acquire its contracted fleet and additional vessels and fund working capital, among other things. Global Ship Lease's ability to borrow amounts under the credit facility is subject to compliance with terms and conditions included in the loan documents. Global Ship Lease's ability to borrow funds from the credit facility to acquire additional vessels and include them in the security package under the credit facility will be partially dependent on whether the purchase of the acquired vessels meets certain financial criteria, and whether the vessels meet certain age and minimum capacity requirements and are to be employed by an acceptable charterer. In addition, as a condition for obtaining financing from its lenders, Global Ship Lease's vessels need to be certified in class and without material overdue recommendations or conditions of class as determined by a member of the International Association of Classification Societies Ltd., or IACS. Six of the vessels in Global Ship Lease's initial fleet currently have recommendations. Global Ship Lease's ability to borrow amounts under the credit facility will also be subject to, among other things, all of its borrowings under the credit facility not exceeding 70% of the aggregate charter-free market value of the vessels that are chartered to the initial Charterer or otherwise employed by an acceptable charterer and that secure its obligations under the credit facility.

Additionally, Global Ship Lease's credit facility provides that it may not pay dividends if there is a continuing default under the facility. Global Ship Lease is prohibited from paying dividends if the payment of the dividend would result in a default and any payments to be made into the retention account are not fully up to date. Global Ship Lease's ability to declare and pay dividends therefore depends on whether it is in

compliance

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with its credit facility. Global Ship Lease's credit facility is a revolving credit facility and it may be required to make repayments under the facility although these repayments may be redrawn. It is probable that the market value of Global Ship Lease's vessels will decrease over time, as vessels generally decrease in value as they age. In addition, the market value of Global Ship Lease's vessels can fluctuate substantially depending on market supply and demand for vessels. Consequently, the ratio of its outstanding borrowings under Global Ship Lease's credit facility relative to the asset value of its vessels will likely increase, which will negatively affect Global Ship Lease's ability to comply with its financial ratio covenants. This, in turn, will impact Global Ship Lease's ability to pay dividend payments. In addition, following five years from the date of the closing of the credit facility, the amounts available for borrowing will be permanently reduced. Therefore, unless Global Ship Lease is able to use other sources or refinance borrowings under its credit facility with new indebtedness that has a later maturity date, following five years after the date of the closing of the credit facility, the amount of cash that Global Ship Lease will have available to pay as dividends in any period will be decreased by the amount of any principal repayments that it is required to make.

The credit facility will impose additional operating and financial restrictions on Global Ship Lease. These restrictions may limit its ability to, among other things:

incur additional indebtedness in the vessel owning subsidiaries, including through the issuance of guarantees;

change the management of its vessels without the prior consent of the lender;

permit liens on its assets;

sell its vessels or change the ownership of its subsidiaries;

merge or consolidate with, or transfer all or substantially all its assets to, another person; and

enter into certain types of charters.

Therefore, Global Ship Lease may need to seek consent from its lenders in order to engage in certain corporate actions. Its lenders' interests may be different from Global Ship Lease's and it cannot guarantee that it will be able to obtain its lenders' consent when needed. This may limit its ability to pay dividends to you, finance its future operations, make acquisitions or pursue business opportunities. Please see "Global Ship Lease Credit Facility" for more information.

### **Global Ship Lease cannot assure you that it will be able to refinance any indebtedness incurred under its credit facility.**

Global Ship Lease cannot assure you that, when required, it will be able to refinance its indebtedness on terms that are acceptable to Global Ship Lease or at all. The actual or perceived credit quality of its charterers, any defaults by them, and the market value of its fleet, among other things, may materially affect its ability to obtain new or replacement debt financing. If Global Ship Lease is not able to refinance its indebtedness, it will have to dedicate a portion of its cash flow from operations to pay the principal and interest of its indebtedness. Global Ship Lease cannot assure you that it will be able to generate cash flow in amounts that are sufficient for these purposes. If Global Ship Lease is not able to satisfy its debt service obligations with its cash flow from operations, Global Ship Lease may have to sell some or all of its assets, which may not be possible and which would have an adverse effect on its cash flows and results of operations. If Global Ship Lease is unable to meet its debt obligations for any reason, its lenders could declare its debt, together with accrued interest and fees, to be immediately due and payable and foreclose on vessels in its fleet which are mortgaged as part security for the debt, which could result in the acceleration of other indebtedness that Global Ship Lease may have at such time and the commencement of similar foreclosure proceedings by other lenders.

### **Global Ship Lease is highly dependent on CMA CGM.**

All of Global Ship Lease's vessels in its initial and contracted fleet are or will be chartered to its initial Charterer, CMA CGM, although up to May 31, 2008, four vessels were chartered to one of CMA CGM's wholly owned subsidiary companies, Delmas. The initial Charterer's payments

to Global Ship Lease under the charters are currently its sole source of revenue. Global Ship Lease is highly dependent on the performance by

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the Charterer of its obligation under the charters. CMA CGM has guaranteed the payment of charterhire in cases of default where the Charterer was one of its wholly owned subsidiaries. If the Charterer or guarantor ceases doing business or fails to perform its obligations under Global Ship Lease's charters or pursuant to any guarantees, Global Ship Lease's business, financial position and cash available for the payment of dividends could be adversely affected. Under its ship management agreement with CMA Ships, the Ship Manager is obligated to provide Global Ship Lease with requisite financial information so that Global Ship Lease can meet its own reporting obligations under U.S. securities laws. CMA CGM has guaranteed the performance of CMA Ships and any payments due to Global Ship Lease under the ship management agreements. CMA CGM and CMA Ships are privately held French corporations with financial reporting schedules different from Global Ship Lease. If CMA CGM, CMA Ships or any of their subsidiaries is delayed in providing Global Ship Lease with key financial information, Global Ship Lease could miss its financial reporting deadlines. Although Global Ship Lease's Ship Manager has agreed to indemnify Global Ship Lease for all losses and damages incurred as a result of its failure to provide financial information on a timely basis, up to a capped amount, its shareholders do not have any direct recourse against its Ship Manager or CMA CGM.

### **CMA CGM and Global Ship Lease's Ship Manager have conflicts of interest with Global Ship Lease and limited contractual duties, which may make them favor their own interests to Global Ship Lease's detriment.**

Conflicts of interest may arise between Global Ship Lease, on the one hand, and CMA CGM, Global Ship Lease's initial Charterer, and CMA Ships, its Ship Manager, on the other hand. As a result of these conflicts, Global Ship Lease's Ship Manager may favor its own or its parent company's interests over Global Ship Lease's interests. These conflicts may have unfavorable results for Global Ship Lease. For example, Global Ship Lease's Ship Manager could be encouraged to incur unnecessary costs, for which it would seek reimbursement from Global Ship Lease. Although Global Ship Lease's ship management agreements expressly prohibit its Ship Manager from giving preferential treatment when performing any of its ship management services to any other vessel that is affiliated with it, or otherwise controlled by CMA CGM, conflicts of interest may arise between Global Ship Lease, and its Ship Manager and its initial Charterer.

### **Global Ship Lease's Ship Manager and CMA CGM, its initial Charterer, are privately held companies and there is little or no publicly available information about them.**

CMA CGM is Global Ship Lease's initial sole Charterer and CMA Ships is Global Ship Lease's initial Ship Manager. CMA CGM's ability to continue to pay charterhire and CMA Ships' ability to render ship management services will depend in part on their own financial strength. Circumstances beyond their control could impair CMA CGM's and CMA Ships' financial strength, and because they are privately held companies, information about the financial strength of their companies is not available. As a result, Global Ship Lease and an investor in its common shares might have little advance warning of financial or other problems affecting CMA CGM or its wholly owned subsidiaries even though their financial or other problems could have a material adverse effect on Global Ship Lease and its shareholders. As part of its reporting obligations as a public company, Global Ship Lease will disclose information regarding CMA CGM, in its capacity as Global Ship Lease's initial Charterer, and CMA Ships, Global Ship Lease's Ship Manager, that has a material impact on Global Ship Lease or its shareholders to the extent that Global Ship Lease becomes aware of such information.

### **CMA CGM could compete with Global Ship Lease.**

Along with many other vessel-owning transportation companies, CMA CGM, currently Global Ship Lease's sole Charterer and projected holder of up to 37.9% of its common shares after the Merger, could compete with Global Ship Lease in its search to purchase newbuildings and secondhand vessels. Further, CMA CGM is not precluded from acting as an owner in the direct chartering market. While Global Ship Lease understands that CMA CGM currently has no intention of doing so, competition from CMA CGM may potentially harm Global Ship Lease's ability to grow the business beyond its initial and contracted fleet and may decrease its results of operations.

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**Certain terms in Global Ship Lease's agreements with CMA CGM and its affiliates may be the result of negotiations that were not conducted at arms-length and may not reflect market standard terms. In addition, they may include terms that may not be obtained from future negotiations with unaffiliated third parties.**

The asset purchase agreement, the charters, the ship management agreements, the transitional services agreement and the other contractual agreements Global Ship Lease has entered into with CMA CGM and its wholly owned subsidiaries were made in the context of an affiliated relationship and were negotiated in the overall context of the previously contemplated public offering of its common shares, the purchase of the vessels in its initial and contracted fleet, the Merger and other related transactions. Because Global Ship Lease is a wholly owned subsidiary of CMA CGM and will continue to be so until the consummation of the Merger, the negotiation of the asset purchase agreement, the charters, the ship management agreements, the transitional services agreement and its other contractual arrangements may have resulted in certain terms that may not reflect market standard terms. In addition, Global Ship Lease's agreements with CMA CGM may include terms that could not have been obtained from arms-length negotiations with unaffiliated third parties for similar services and assets. As a result, its future operating results may be negatively affected if Global Ship Lease does not receive terms as favorable in future negotiations with unaffiliated third parties or has to enter into lengthy and costly negotiations with third parties in connection with entering into such agreements.

**Global Ship Lease's business depends upon certain individuals who may not necessarily continue to be affiliated with Global Ship Lease.**

Global Ship Lease's future success depends to a significant extent upon its Chief Executive Officer, Ian J. Webber, its Chief Financial Officer, Susan J. Cook and its Chief Commercial Officer, Thomas A. Lister. Mr. Webber, Ms. Cook and Mr. Lister have an aggregate of over 40 years of experience in the shipping industry and have worked with several of the world's largest shipping companies. They and members of the board of directors are crucial to the execution of its business strategies and to the growth and development of its business. If these individuals were no longer to be affiliated with Global Ship Lease, or if Global Ship Lease were to otherwise cease to receive advisory services from them, Global Ship Lease may be unable to recruit other employees with equivalent talent and experience, and its business and financial condition may suffer as a result.

**Global Ship Lease is a recently formed company with limited separate operating history and its historical financial and operating data may not be representative of its future results.**

Global Ship Lease is a recently formed company with limited operating history. The historical combined financial statements included in this joint proxy statement/prospectus include mainly its predecessor's historical business activities as a container shipping company earning freight from transporting shipper's cargo and incurring both vessel and voyage expenses, including all costs related to handling of shippers' cargoes for its vessels while they were owned and operated by CMA CGM until the date of the individual transfer of each vessel in December 2007. These combined financial statements reflect only the results of Global Ship Lease under its fixed-rate long-term charters, ship management agreements and its financing arrangements only from the date of the individual transfer of each vessel in December 2007 and are not a meaningful representation of its future results of operations. GSL Holdings unaudited pro forma financial information has been prepared as if Global Ship Lease had purchased its initial fleet from CMA CGM, and entered into its charter arrangements and ship management agreements as of January 1, 2007. Such information is provided for illustrative purposes only and does not represent what its results of operations or financial position would actually have been if the transactions had in fact occurred on those dates and is not representative of its results of operations or financial position for any future periods. There will likely be variations between its future operating results and its pro forma financial information and such variations may be material.

**Global Ship Lease has not performed and does not intend to perform underwater inspections of its vessels.**

Although Global Ship Lease has performed physical inspections of the vessels, Global Ship Lease has not performed and does not intend to perform any underwater inspections either prior to or after their delivery. As a

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result, Global Ship Lease will not be aware of any damage to the vessel that may exist at the time of delivery and which could only be discovered through an underwater inspection. Global Ship Lease has agreed to purchase the vessels and newbuildings on an as is basis, subject to CMA CGM being responsible for any class condition or recommendation that is found to have existed at the date of delivery of the vessels. However, if any damage is subsequently found, Global Ship Lease could incur substantial costs to repair the damage.

### **Delays in the deliveries of the vessels in its contracted fleet could harm its operating results.**

Global Ship Lease has agreed to acquire three secondhand vessels and one newbuilding, expected to be delivered in December 2008, and one secondhand vessel, expected to be delivered in July 2009. The delivery of any of these vessels could be delayed and any delay could negatively affect its operating results.

The delivery of the secondhand vessels could be delayed because of, among other things:

hostilities or political disturbances;

non-performance on the vessel sale agreement by CMA CGM;

non-performance of the sale provisions in the charters by the third party owners in the cases where CMA CGM does not already own the secondhand vessels but instead has to exercise a purchase option in the charters;

having an outstanding recommendation or condition of class attached to it or a suspension from class that would require, pursuant to its asset purchase agreement, CMA CGM to remedy such recommendation or condition of class prior to delivering the vessel to Global Ship Lease;

inability to obtain requisite permits or approvals; or

damage to or destruction of the vessels while being operated by the seller prior to the delivery date.

The delivery of the newbuilding could be delayed for a number of reasons, including:

a worsening of the business relationship, or a contractual dispute, between the parties to the building contract that would slow or stop the building or delivery of the newbuilding;

non-performance on the sale of the newbuilding to CMA CGM by Daewoo Shipbuilding & Marine Engineering Co., Ltd., or Daewoo, the ship builder of the newbuilding, or non-performance on the contractual obligations of CMA CGM to Daewoo;

work stoppages or other labor disturbances or other events that disrupt shipyard operations;

quality or engineering problems;



changes in governmental regulations or maritime self-regulatory organization standards;

bankruptcy or other financial crisis of the shipyard;

a backlog of orders at the shipyard;

hostilities, political or economic disturbances in the region where its newbuilding is being built;

weather interference or catastrophic event, such as a major earthquake or fire;

requests for changes to the original newbuilding specifications;

shortages of or delays in the receipt of necessary construction materials, such as steel;

inability to obtain requisite permits or approvals; or

a dispute either by us or CMA CGM with the relevant shipyard.

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The ship building contract for the newbuilding in Global Ship Lease's first contracted fleet contains a force majeure provision whereby the occurrence of certain events could delay delivery or possibly terminate the contract. Furthermore, CMA CGM is responsible for all construction and delivery costs of the newbuilding. If CMA CGM fails to make construction payments for the newbuilding, Global Ship Lease could lose its opportunity to acquire it.

Any termination of the ship building contract, or any delay in the delivery of the vessels in the contracted fleet, will eliminate or postpone Global Ship Lease's receipt of revenues under the time charters for those vessels and may permanently reduce its actual and projected revenues, and would therefore adversely affect its results of operations and financial condition, including its ability to pay dividends to its shareholders, and may negatively affect its stock price.

**Global Ship Lease is a holding company and it depends on the ability of its subsidiaries to distribute funds to Global Ship Lease in order to satisfy its financial and other obligations.**

Global Ship Lease is a holding company and has no significant assets other than the equity interests in its subsidiaries. Global Ship Lease's subsidiaries will own all of its vessels and payments under charters will be made to its subsidiaries. As a result, its ability to pay dividends depends on the performance of its subsidiaries and their ability to distribute funds to it. The ability of its subsidiaries to make these distributions could be affected by a claim or other action by a third party, including a creditor, or by Marshall Islands law or the laws of any jurisdiction which regulates the payment of dividends by companies. If Global Ship Lease is unable to obtain funds from its subsidiaries, Global Ship Lease may not be able to pay dividends.

**As its fleet ages, Global Ship Lease may incur increased operating costs, which could adversely affect its earnings.**

In general, the cost of maintaining a vessel in good operating condition increases with age. In addition, older vessels are typically less fuel efficient. Governmental regulations and safety or other equipment standards may also require expenditures for alterations, or the addition of new equipment, to its vessels and may restrict the type of activities in which its vessels may engage. Although its initial and contracted fleet has a weighted average age of 5.3 years and a non-weighted average age of 5.8 years upon delivery, Global Ship Lease cannot assure you that, as its vessels age, market conditions will justify those expenditures or enable Global Ship Lease to operate its vessels profitably during the remainder of their useful lives.

**Global Ship Lease's insurance may be insufficient to cover losses that may occur to its property or result from its operations.**

The shipping industry has inherent operational risks. Although Global Ship Lease carries hull and machinery insurance, war risks insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance), Global Ship Lease may not be adequately insured against all risks and its insurers may not pay every claim. Even if its insurance coverage is adequate to cover its losses, Global Ship Lease may not be able to obtain a replacement vessel in the event of a total or constructive loss in a timely manner. Under the terms of its credit facility, Global Ship Lease may be subject to restrictions on the use of any proceeds Global Ship Lease may receive from claims under its insurance policies. Furthermore, in the future, Global Ship Lease may not be able to obtain adequate insurance coverage at reasonable rates for its fleet. Global Ship Lease may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which Global Ship Lease receives indemnity insurance coverage for tort liability. Insurers typically have the right to increase immediately the premiums in certain excluded areas following acts of war or terrorism and Global Ship Lease cannot be certain that its insurers will continue to provide cover, or that Global Ship Lease will be able to pass these increased costs to any new charterers. Its insurance policies will also contain deductibles, limitations and exclusions which, although Global Ship Lease believes are standard in the shipping industry, may nevertheless increase its costs.

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In addition, Global Ship Lease does not presently carry loss-of-hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that might occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any vessel that is off-hire for an extended period of time, due to an accident or otherwise, could have a material adverse effect on its business, results of operations and financial condition and its ability to pay dividends to its shareholders.

### **Risk Factors Relating to the Industry of Global Ship Lease**

**Global Ship Lease's growth and long term profitability depend mainly upon continued growth in demand for containerships and the condition of the charter market. The container shipping industry is cyclical and volatile and the industry's upward trend may have passed its peak. Should demand for containerships diminish, charterhire rates may fall, thus reducing its ability to secure new charterers at attractive rates.**

The container shipping industry is both cyclical and volatile in terms of charterhire rates and profitability. Charterhire rates are below their historical highs and rates may decrease in the future. Fluctuations in charter rates result from changes in the supply and demand for ship capacity, which is driven mainly by changes in the supply and demand for world trade container shipping services. If demand growth, for example, is not at a level sufficient to absorb the additional containership capacity to be delivered in the future, there may be an over supply of ship capacity which would typically cause freight rates, and in turn charter rates, to fall. The factors affecting the supply and demand for containerships and supply and container shipping services are outside Global Ship Lease's control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence demand for containership capacity include:

supply and demand for products suitable for shipping in containers;

changes in global production of products transported by containerships;

the globalization of manufacturing;

global and regional economic and political conditions;

developments in international trade;

changes in seaborne and other transportation patterns, including changes in the distances over which container cargoes are transported, the size of containerships, and the extent of trans-shipments;

environmental and other legal and regulatory developments;

currency exchange rates; and

port and canal congestion.

The factors that influence the supply of containership capacity include:

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the containership newbuilding orderbook compared to the existing cellular containership fleet;

the scrapping rate of older containerships;

the price of steel and other raw materials;

changes in environmental and other laws and regulations that may limit the useful life of containerships;

the availability of shipyard capacity; and

port and canal congestion.

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Global Ship Lease's ability to re-charter its initial and contracted fleet upon the expiration or termination of its charters, and the charter rates payable under and the duration of any renewal or replacement charters will depend upon, among other things, the then current state of the containership market and how the then current age and quality of Global Ship Lease's initial and contracted fleet are perceived by the market. If the containership market is in a period of depression when Global Ship Lease's vessels' charters expire for whatever reason, including an over supply of containership capacity, Global Ship Lease may be forced to re-charter its vessels at reduced or unprofitable rates, which may reduce or eliminate its earnings or make its earnings increasingly volatile, or it may not be able to re-charter its vessels at all. The same issues will exist if Global Ship Lease acquires additional vessels without charter arrangements in place, or at the expiration of such arrangements, obliging Global Ship Lease to try to fix employment of the additional vessels in the spot market while attempting to subject them to a long-term time charter arrangement.

**If the market value of vessels substantially declines when Global Ship Lease is attempting to sell one of its vessels, Global Ship Lease may incur a financial loss.**

Although the market value of containerships has increased since 2000, containership values can fluctuate substantially over time. A number of factors may contribute to a future decrease in the market value of containerships, including:

unfavorable economic conditions in the market in which the containership trades;

a substantial or extended decline in world trade growth leading to reduced demand for container shipping services;

increases or an over supply in global containership capacity; and

the cost of retrofitting or modifying existing ships, as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards or otherwise.

If a charter terminates when the market value of its containerships has been depressed, Global Ship Lease may be unable to re-charter the vessel at attractive rates and, rather than continue to incur costs to maintain and finance the vessel, Global Ship Lease may seek to dispose of it. Inability to dispose of the containership at a reasonable price could result in a loss on the vessel's sale and adversely affect Global Ship Lease's results of operations and financial condition and its ability to pay dividends to its shareholders.

Future fluctuations in charter rates and vessel values may trigger a possible impairment of Global Ship Lease's vessels as described in Management's Discussion and Analysis of Financial Condition and Results of Operations of Global Ship Lease Critical Accounting Policies and Estimates. This risk may also impact its ability to satisfy its financial covenants under its credit facility.

**Global Ship Lease may have more difficulty entering into long-term charters if a more active and cheaper short-term or spot container shipping market develops.**

At the expiration of Global Ship Lease's charters, if a charter terminates early for any reason or if Global Ship Lease acquires vessels charter-free in addition to Global Ship Lease's current and contracted fleet, Global Ship Lease will need to charter or re-charter its vessels. Should more vessels be available on the spot or short-term market at the time Global Ship Lease is seeking to fix new long-term charters, Global Ship Lease may have difficulty entering into such charters at profitable rates and for any term other than short term and, as a result, Global Ship Lease's cash flow may be subject to instability in the long-term. In addition, it would be more difficult to fix relatively older vessels should there be an oversupply of younger vessels on the market. A more active short-term or spot market may require Global Ship Lease to enter into charters based on fluctuating market rates, as opposed to long-term contracts based on a fixed rate, which could result in a decrease in Global Ship Lease's cash flow in periods when the charter rates for container shipping is depressed.

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### **Terrorist attacks and international hostilities could affect its results of operations and financial condition.**

Terrorist attacks, such as the attacks on the United States on September 11, 2001, and the continuing response of the United States and other countries to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets and may affect Global Ship Lease's business, results of operations and financial condition from increased security costs and more rigorous inspection procedures at borders and ports. The conflict in Iraq may lead to additional acts of terrorism, regional conflict and other armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect Global Ship Lease's ability to obtain additional financing on terms acceptable to Global Ship Lease or at all.

Terrorist attacks targeted at oceangoing vessels, such as the October 6, 2002 attack in Yemen on the VLCC Limburg, a ship not related to Global Ship Lease, may also negatively affect Global Ship Lease's future operations and financial condition and directly impact its containerships or its customers. Future terrorist attacks could result in increased market volatility or even a recession in the United States or global financial markets, and could further increase inspection and security requirements and regulation that could slow its operations and negatively affect its profitability. Any of these occurrences could have a material adverse impact on its operating results, revenue and costs.

### **Global Ship Lease's vessels may call on ports located in countries that are subject to restrictions imposed by the United States government, which could negatively affect the trading price of its common shares.**

From time to time and in relation to the initial Charterer's business, Global Ship Lease's vessels may call on ports located in countries subject to sanctions and embargoes imposed by the United States government and countries identified by the United States government as state sponsors of terrorism, such as Syria and Iran. Although these sanctions and embargoes do not prevent Global Ship Lease's vessels from making calls to ports in these countries, potential investors could view Global Ship Lease's presence at those ports negatively, which could in turn adversely affect its reputation and the receptiveness of the market for Global Ship Lease's common shares.

### **Risks inherent in the operation of containerships could impair the ability of the initial Charterer to make payments to Global Ship Lease, increase its costs or reduce the value of Global Ship Lease's assets.**

Global Ship Lease's containerships and its cargoes are at risk of being damaged or lost because of events such as marine accidents, bad weather, mechanical failures, human error, war, terrorism, piracy, environmental accidents and other circumstances or events. Any of these events connected to Global Ship Lease's vessels or other vessels under the initial Charterer's control, or any other factor which negatively affects the initial Charterer's business, could impair the ability of the initial Charterer to make payments to Global Ship Lease pursuant to its charters. Although the initial Charterer is obligated to pay Global Ship Lease regardless of the safety of the cargoes, it is possible that such events may render the initial Charterer financially unable to pay Global Ship Lease its hire. Furthermore, there is a risk that the vessel may become damaged, lost or destroyed and any such occurrence may cause Global Ship Lease additional expenses to repair or substitute the vessel or may render Global Ship Lease unable to provide the vessel for chartering, which will cause Global Ship Lease to lose charterhire revenue.

These occurrences could also result in death or injury to persons, loss of property or environmental damage, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to Global Ship Lease's reputation and customer relationships generally. Any of these circumstances or events could increase its costs or lower Global Ship Lease's revenues, which could result in reduction in the market price of its common shares.

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### **Maritime claimants could arrest Global Ship Lease's vessels, which could interrupt the initial Charterer's or Global Ship Lease's cash flow.**

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of Global Ship Lease's vessels, for valid or invalid reasons, could interrupt the initial Charterer's or Global Ship Lease's cash flow and require the initial Charterer or Global Ship Lease or Global Ship Lease's insurance to pay a significant amount to have the arrest lifted. In addition, in some jurisdictions, such as South Africa, under the sister ship theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any associated vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert sister ship liability against one vessel in its fleet for claims relating to another vessel in its fleet. In any event, any lien imposed may adversely affect its results of operations by delaying the revenue gained from ships.

### **Governments could requisition Global Ship Lease's vessels during a period of war or emergency without adequate compensation.**

A government could requisition one or more of Global Ship Lease's vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although Global Ship Lease would be entitled to compensation in the event of a requisition of one or more of its vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of Global Ship Lease's vessels may negatively impact its revenues and reduce the amount of cash Global Ship Lease has available for distribution as dividends to its shareholders.

### **Technological innovation could reduce Global Ship Lease's charterhire income and the value of Global Ship Lease's vessels.**

The charterhire rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical condition. Efficiency includes speed, fuel economy and the ability to load and discharge containers quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities, such as cranes, and pass through canals and straits. Physical condition is related to the original design and construction, maintenance and the impact of the stress of operations. If new containerships are built that are more efficient or more flexible or have longer physical lives than Global Ship Lease's vessels, competition from these more technologically advanced containerships could adversely affect the amount of charterhire payments Global Ship Lease receives for its vessels once their initial charters expire and the resale value of its vessels could significantly decrease. As a result, the cash available for the payment of dividends could then be adversely affected.

### **Compliance with safety and other vessel requirements imposed by classification societies may be costly and may adversely affect Global Ship Lease's business and operating results.**

The hull and machinery of every commercial vessel must conform to the rules and standards of a classification society approved by Global Ship Lease's country of registry. Such societies set the rules and standards for the design, construction, classification, and surveys of vessels and conduct surveys to determine whether vessels are in compliance with such rules and standards. A certification by the society is an attestation that the vessel is in compliance with the society's rules and standards. A vessel involved in international trade must also conform to national and international regulations on safety, environment and security, including (but not limited to) the Safety of Life at Sea Convention, or SOLAS, and the International Convention for the Prevention of Pollution from Ships. A vessel conforms to such regulations by obtaining certificates from its country of registry and/or a classification society authorized by the country of registry.

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A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special or class renewal survey, a vessel's machinery may be reviewed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Please see *Global Ship Lease Business Inspection by Classification Societies* for more information regarding annual surveys, intermediate surveys and special surveys. Bureau Veritas, the classification society for all of the vessels in Global Ship Lease's current and contracted fleet, may approve and carry out in-water inspections of the underwater parts of its vessels once every three to five years, in lieu of drydocking inspections. In-water inspections are typically less expensive than drydocking inspections and Global Ship Lease intends to conduct in-water inspections when that option is available to it.

If a vessel does not maintain its in class certification or fails any annual survey, intermediate survey or special survey, port authorities may detain the vessel, refuse her entry into port or refuse to allow her to trade resulting in the vessel being unable to trade and therefore rendering her unemployable. In the event that a vessel becomes unemployable, Global Ship Lease could also be in violation of provisions in its charters, insurance coverage, covenants in its loan agreements and ship registration requirements and its revenues and future profitability would be negatively affected.

**Global Ship Lease is subject to regulation and liability under environmental laws that could require significant expenditures and affect Global Ship Lease's cash flows and net income.**

The shipping industry, and the operations of containerships, are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which Global Ship Lease's containerships operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges and ballast water management. Because such conventions, laws and regulations are often revised, Global Ship Lease cannot predict the cost of complying with such requirements or the impact thereof on the value or useful life of its containerships. Additional conventions, laws and regulations may be adopted that could limit Global Ship Lease's ability to do business or increase the cost of its doing business and which may materially adversely affect Global Ship Lease's operations. Global Ship Lease is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to its operations. Many environmental requirements are designed to reduce the risk of pollution, such as oil spills, and compliance with these requirements can be costly.

Environmental requirements can also affect the value or useful lives of its vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, Global Ship Lease could incur material liabilities, including cleanup obligations and natural resource damages, in the event that there is a release of oil-based products or other hazardous materials from its vessels or otherwise in connection with its operations. Global Ship Lease could also become subject to personal injury or property damage claims relating to the release of hazardous materials associated with its existing or historic operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including in certain instances, criminal liabilities or seizure or detention of its vessels.

In addition, significant compliance costs could be incurred due to existing environmental laws and regulations and those that may be adopted, which could require new maintenance and inspection procedures and new restrictions on air emissions from its containerships, the development of contingency arrangements for potential spills and/or obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become increasingly strict in the future and require Global Ship Lease to incur significant capital expenditures on its vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. Global Ship Lease believes that regulation of the shipping industry will



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continue to become more stringent and more expensive for Global Ship Lease and its competitors. Substantial violations of applicable requirements or a catastrophic release of bunker fuel from one of its containerships, among other events, could have a material adverse impact on its financial condition, results of operations and its ability to pay dividends to its shareholders. For additional information on these and other environmental requirements, you should carefully review the information contained in Business Environmental and Other Regulations.

### **Risk Factors Relating to Marathon**

#### **Marathon may not be able to consummate the Merger or another business combination by August 30, 2008, in which case, Marathon would be forced to liquidate.**

Marathon must complete the Merger or another business combination with a fair market value of at least 80% of the balance of the trust account at the time of the Merger or other business combination (excluding deferred underwriting discounts and commissions of approximately \$6.4 million) by August 30, 2008. If Marathon fails to consummate the Merger or another business combination within the required time frame, it will be forced to liquidate its assets. In addition, from March 21, 2008 until the termination of the merger agreement or the closing of the Merger, the parties to the merger agreement have agreed that neither Marathon, GSL Holdings, CMA CGM, Global Ship Lease nor any of its subsidiaries shall, and each party shall use its commercially reasonable best efforts to cause each of their respective representatives not to, directly or indirectly, encourage, solicit, or participate in negotiations with a third party concerning any merger or other business combination or sale of any of its capital stock or a material portion of its assets. In addition, Marathon's negotiating position and its ability to conduct adequate due diligence on its target or any potential target may be reduced as it approaches the deadline for the consummation of the Merger or another business combination. Accordingly, Marathon's auditors have included an explanatory paragraph in their report related to the uncertainty of Marathon's ability to continue as a going concern.

#### **If Marathon liquidates before concluding the Merger or another business combination, Marathon's public stockholders will receive less than \$8.00 per share on distribution of trust account funds and Marathon's warrants will expire worthless.**

If Marathon is unable to complete the Merger or another business combination and must liquidate its assets, the Liquidation Price will be less than \$8.00 per share because of the expenses of Marathon's initial public offering, its general and administrative expenses including the \$7,500 per month paid to Marathon Management LLC, and the costs incurred in seeking a business combination. Furthermore, its outstanding warrants are not entitled to participate in a liquidating distribution and the warrants will therefore expire worthless if Marathon liquidates before completing a business combination.

#### **If third parties bring claims against Marathon, the proceeds held in trust could be reduced and the Liquidation Price received by you could be reduced.**

Marathon's placing of funds in a trust account may not protect those funds from third party claims against Marathon. Pursuant to Delaware General Corporation Law Sections 280 and 281, upon Marathon's dissolution, it will be required to pay or make reasonable provision to pay all of its claims and obligations, including all contingent, conditional, or unmatured claims. These amounts must be paid or provided for before Marathon makes any distributions to its stockholders. While Marathon intends to pay such amounts, if any, from the interest on the trust account available to it for working capital, Marathon cannot assure you those funds will be sufficient to cover such claims and obligations. Although Marathon has sought to and intends to have all vendors, prospective target businesses or other entities it engages execute agreements with it waiving any right, title, interest or claim of any kind in or to any monies held in the trust account, there is no guarantee that they will execute such agreements, or if executed, that such waivers will be enforceable or otherwise prevent potential contracted parties from making claims against the trust account. Nor is there any guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with Marathon and will not seek recourse against the trust account for any reason. Accordingly,

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the proceeds held in trust could be subject to claims which could take priority over the claims of Marathon's public stockholders and, as a result, the actual Liquidation Price could be less than the Liquidation Price based upon the proceeds of Marathon's initial public offering and the concurrent private placement of the sponsor warrants placed in the trust account, without taking into account interest earned on the trust account subsequent to Marathon's initial public offering, due to claims of such creditors. If Marathon is unable to complete the Merger or another business combination by August 30, 2008 and is forced to liquidate, Mr. Gross will be personally liable for ensuring that the proceeds in the trust account are not reduced by the claims of any third party if such third party does not execute a waiver of its rights, title, interest or claim of any kind in or to the trust account, but only to the extent any claims made against the trust account and the payment of such debts or obligations actually reduces the amount in the trust account. However, Marathon cannot assure you that Mr. Gross will be able to satisfy those obligations. Based on the information in his director and officer questionnaire provided to Marathon in connection with its initial public offering as well as the representations as to his accredited investor status (as such term is defined in Regulation D under the Securities Act), Marathon currently believes that Mr. Gross is of substantial means and is capable of funding his indemnity obligations, even though Marathon has not asked him to reserve for such an eventuality. However, Marathon cannot assure you Mr. Gross will be able to satisfy those obligations. Marathon believes the likelihood of Mr. Gross having to indemnify the trust account is limited because Marathon has sought to and intends to have all vendors and prospective target businesses as well as other entities execute agreements with Marathon waiving any right, title, interest or claims of any kind in or to monies held in the trust account.

Marathon expects that all costs associated with implementing its plan of dissolution and liquidation as well as payments to any creditors will be funded from the interest on the trust account available to Marathon as working capital. If such funds are insufficient to cover the costs of Marathon's dissolution and liquidation, Mr. Gross has agreed to indemnify Marathon for its out-of-pocket costs associated with such dissolution and liquidation, excluding any special, indirect or consequential costs, such as litigation, pertaining to such dissolution and liquidation. Marathon estimates that its total costs and expenses for implementing and completing its stockholder-approved plan of dissolution and liquidation will be in the range of \$50,000 to \$75,000. This amount includes all costs and expenses relating to the filing of Marathon's dissolution in the State of Delaware, the winding up of the company and the costs of a proxy statement and meeting relating to the approval by its stockholders of its plan of dissolution and liquidation.

Furthermore, creditors may seek to interfere with the distribution of the trust account pursuant to federal or state creditor and bankruptcy laws, which could delay the actual distribution of such funds or reduce the amount ultimately available for distribution to Marathon's public stockholders. If Marathon is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against Marathon which is not dismissed, the funds held in Marathon's trust account will be subject to applicable bankruptcy law, and may be included in Marathon's bankruptcy estate and subject to the claims of third parties with priority over the claims of Marathon's stockholders. To the extent any bankruptcy claims deplete the trust account Marathon cannot assure you that it will be able to return to its public stockholders the liquidation amounts due them. Accordingly, the actual per share amount distributed from the trust account to Marathon's public stockholders could be significantly less than expected Liquidation Price, without taking into account interest earned on the trust account subsequent to Marathon's initial public offering (net of taxes payable on interest income on the funds in the trust account and interest income of \$3.9 million on the trust account balance previously released to Marathon to fund its working capital requirements, including the costs of its dissolution and liquidation). Any claims by creditors could cause additional delays in the distribution of trust funds to the public stockholders beyond the time periods required to comply with Delaware General Corporation Law procedures and federal securities laws and regulations.

**Stockholders may be held liable for claims by third parties against Marathon to the extent of distributions received by them in a dissolution.**

If Marathon does not complete the Merger or another business combination by August 30, 2008, it will dissolve and distribute to Marathon's public stockholders an amount equal to the amount in the trust account,

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including (i) all accrued interest, net of income taxes payable on such interest and interest of \$3.9 million on the trust account balance previously released to it to fund its working capital requirements, including the costs of its dissolution and liquidation, and (ii) all deferred underwriting discounts and commissions plus any remaining assets. Under Delaware law, creditors of a corporation have a superior right to stockholders in the distribution of assets upon dissolution. Consequently, if the trust account is dissolved and paid out prior to all creditors being paid on their claims, stockholders may be held liable for claims by third parties against Marathon to the extent of distributions received by them in a dissolution.

Section 280 and Section 281(b) of the Delaware General Corporation Law set forth two procedures that a dissolved corporation may follow when winding up its affairs. Marathon cannot predict at this time which procedure it would comply with in the event of liquidation. If Marathon elects to comply with Section 280 of the Delaware General Corporation Law, it would obtain greater certainty as to potential claims, and Marathon, or a successor entity to it, may reject, in whole or in part, claims that are made. In addition, should Marathon choose to comply with Section 280, a creditor who receives actual notice of Marathon's dissolution, as required by Section 280, would be barred from receiving payment if the claimant failed to present the claim in accordance with the required timeframes. Specifically, if Marathon complies with certain procedures intended to ensure that Marathon makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against it and a 90-day period during which Marathon may reject any claims brought, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. If Marathon elects to comply with the procedures set forth at Section 281(b) of the Delaware General Corporation Law, stockholders will not know at the time of dissolution the scope of potential claims against Marathon. Marathon's stockholders could therefore potentially be liable for claims to the extent of distributions received by them in a dissolution and any liability of Marathon's stockholders will extend beyond the third anniversary of such dissolution.

**Under Delaware law, Marathon's dissolution requires the approval of the holders of a majority of Marathon's outstanding stock, without which Marathon will not be able to dissolve and liquidate, and distribute its assets to its public stockholders.**

Marathon will promptly adopt a plan of dissolution and liquidation and initiate procedures for Marathon's dissolution and liquidation if Marathon does not effect a business combination by August 30, 2008. However, pursuant to Delaware law, Marathon's dissolution requires the affirmative vote of stockholders owning a majority of Marathon's then outstanding common stock. Soliciting the vote of Marathon's stockholders will require the preparation of preliminary and definitive proxy statements, which will need to be filed with the SEC and could be subject to its review. This process could take a substantial amount of time ranging from 40 days to several months.

As a result, the distribution of Marathon's assets to the public stockholders could be subject to a considerable delay. Furthermore, Marathon may need to postpone the stockholders' meeting, re-solicit Marathon's stockholders, or amend its plan of dissolution and liquidation to obtain the required stockholder approval, all of which would further delay the distribution of its assets and result in increased costs. If Marathon is not able to obtain approval from a majority of its stockholders, it will not be able to dissolve and liquidate and it will not be able to distribute funds from its trust account to holders of its common stock sold in its initial public offering, and these funds will not be available for any other corporate purpose. In the event Marathon seeks stockholder approval for a plan of dissolution and liquidation and does not obtain such approval, Marathon will nonetheless continue to pursue stockholder approval for its dissolution. However, Marathon cannot assure you that its stockholders will approve its dissolution in a timely manner or will ever approve its dissolution. As a result, Marathon cannot provide investors with assurances of a specific timeframe for the dissolution and distribution.

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**Members of Marathon's management team and board are and may in the future become affiliated with entities engaged in business activities similar to those conducted by Marathon and may consider transactions with entities reviewed by Marathon as possible targets.**

Members of Marathon's management team and board are and may in the future become affiliated with entities engaged in business activities similar to those conducted by Marathon and may consider transactions with entities reviewed by Marathon as possible targets. In this connection, certain officers or directors or their affiliates might pursue transactions with businesses that were considered by Marathon as possible targets.

**Because the shares of common stock owned by Marathon's initial stockholders before its initial public offering are prohibited from participating in liquidation distributions by Marathon, Messrs. Gross, Aron, Simon and Sheft may have a conflict of interest in deciding if a particular target business is a good candidate for a business combination.**

Marathon's initial stockholders have waived their right to receive distributions with respect to the shares of common stock purchased by them before Marathon's initial public offering if Marathon liquidates because it fails to complete a business combination. Additionally, Marathon Investors, LLC, an entity owned and controlled by Mr. Gross, has purchased 5,500,000 warrants exercisable for shares of Marathon's common stock. On March 24, 2008, the warrant agreement was amended to provide that in the event the Merger is consummated, the sponsor warrants must be exercised on a cashless basis and may be redeemed at Marathon's option under the same conditions applicable to the public warrant holders. The mandatory cashless exercise provision will reduce the cash proceeds to be paid to Marathon upon the exercise of the sponsor warrants. Such common stock and warrants will be worthless if Marathon does not consummate the Merger or another business combination, and the \$5,500,000 purchase price of the sponsor warrants held in the trust account will be part of any liquidating distribution. The personal and financial interests of Messrs. Gross, Aron, Simon and Sheft may influence their identification and selection of a target business, and may affect how or when Marathon completes the Merger or another business combination. The exercise of discretion by Messrs. Gross, Aron, Simon and Sheft in identifying and selecting one or more suitable target businesses may result in a conflict of interest when they decide if the terms, conditions and timing of a particular business combination are appropriate and in Marathon's stockholders' best interest.

**Ownership and further purchases by the initial stockholders and their respective affiliates may influence the outcome of the stockholder vote and could result in the approval of the Merger Proposal.**

With respect to the proposal for approval of the Merger only, each of Marathon's initial stockholders has agreed to vote all of his or its initial shares in accordance with the majority of the votes cast with respect to the Merger Proposal by the holders of the shares issued in the initial public offering, and any shares acquired in or after the initial public offering in favor of the Merger Proposal. This voting arrangement does not apply to any proposal other than the Merger Proposal. Furthermore, Marathon's officers and directors and their respective affiliates, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Marathon or its securities, may enter into a written plan to purchase Marathon securities pursuant to Rule 10b5-1 of the Exchange Act, and may engage in other permissible public market purchases, as well as private purchases, of securities. On June 4, 2008, Mr. Gross entered into a stock purchase plan with Citi, in accordance with the guidelines of Rule 10b5-1 and the provisions of Rule 10b-18 of the Exchange Act, under which he placed a limit order to purchase up to 2,000,000 shares of Marathon common stock at a price of \$8 per share or below. Under this plan, 2,000,000 shares were purchased at prices between \$7.59 and \$7.87 with an average price of \$7.84 per share. If Marathon's initial stockholders or Marathon's officers and directors purchase securities from existing Marathon stockholders that are likely to vote against the transaction, or that are likely to elect to convert their shares, the probability that the business combination will succeed increases, since the number of shares held by public stockholders will be reduced and the number of shares held by insiders will be increased. Therefore the number of shares that will be voted in favor of the Merger Proposal increases and the number of shares that are converted may decrease.

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**Ownership and further purchases by the initial stockholders and Marathon Investors, LLC and their respective affiliates may influence the outcome of the consent solicitation.**

With respect to the Consent Solicitation, Marathon Investors, LLC owns 5,500,000 of the 45,535,850 outstanding warrants. While Marathon Investors, LLC and Marathon's officers and directors are not subject to any voting arrangement with respect to the Consent Solicitation, they have informed Marathon that they intend to give their consent for all warrants currently held, as well as any warrants that they may subsequently acquire. Furthermore, Marathon's officers and directors and their respective affiliates, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Marathon or its securities, may enter into a written plan to purchase Marathon securities pursuant to Rule 10b5-1 of the Exchange Act, and may engage in other permissible public market purchases, as well as private purchases, of securities. If Marathon's initial stockholders, Marathon Investors, LLC or Marathon's officers and directors purchase securities from existing Marathon warrant holders that are likely to withhold their consent, the probability that the required number of warrant consents will be received increases.

**Unless Marathon completes the Merger or another business combination, members of Marathon's management team will not receive reimbursement for any out-of-pocket expenses they incur if such expenses exceed the amount not in the trust account and interest income of \$3.9 million on the trust account balance that has been released to Marathon to fund Marathon's working capital requirements. Therefore, they may have a conflict of interest in determining whether a particular target business is appropriate for a business combination and in the public stockholders' best interest.**

Members of Marathon's management team will not receive reimbursement for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount not in the trust account and interest income of \$3.9 million on the trust account balance that has been released to Marathon to fund Marathon's working capital requirements, unless the Merger or another business combination is consummated. Members of Marathon's management team may, as part of the Merger or another business combination, negotiate the repayment of some or all of any such expenses. If the target business owners do not agree to such repayment, this could cause Marathon's management team to view such potential business combination unfavorably, thereby resulting in a conflict of interest. The financial interests of members of Marathon's management team could influence their motivation in selecting a target business and thus, there may be a conflict of interest when determining whether a particular business combination is in the stockholders' best interest.

**Sponsor warrants have a superior exercise right to warrants received in Marathon's initial public offering and must be exercised on a cashless basis.**

The sponsor warrants issued to Marathon Investors, LLC, an entity owned and controlled by Mr. Gross, upon the consummation of Marathon's initial public offering may be exercised pursuant to an exemption to the requirement that the securities underlying such warrants be registered pursuant to an effective registration statement. Therefore, the sponsor warrants may be exercised whether or not a current registration statement is in place and are exercisable upon the consummation of the Merger. In addition, on March 24, 2008, the warrant agreement was amended to provide that in the event the Merger is consummated, the sponsor warrants must be exercised on a cashless basis and may be redeemed at Marathon's option under the same conditions applicable to the public warrant holders. The mandatory cashless exercise provision will reduce the cash proceeds to be paid to Marathon upon the exercise of the sponsor warrants. The warrants issued in Marathon's initial public offering may only be exercised if a current registration statement is in place. Marathon is required only to use its best efforts to maintain a current registration statement; therefore, the warrants issued in Marathon's initial public offering may expire worthless.

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### **Risk Factors Relating to the Merger**

#### **GSL Holdings is incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law.**

GSL Holdings' corporate affairs are governed by its articles of incorporation and bylaws and by the Business Corporations Act of the Republic of the Marshall Islands, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, GSL Holdings' shareholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction. For more information with respect to how shareholder rights under Marshall Islands law compare with shareholder rights under Delaware law, please see Comparison of Marshall Islands Corporate Law to Delaware Corporate Law.

#### **Because GSL Holdings is organized under the laws of the Republic of the Marshall Islands, it may be difficult to serve GSL Holdings with legal process or enforce judgments against it, its directors or its management.**

GSL Holdings is organized under the laws of the Republic of the Marshall Islands, and substantially all of its assets are located outside of the United States. Its principal executive offices will be located outside the United States and some of its directors and officers will reside outside the United States. As a result, it may be difficult or impossible for you to bring an action against GSL Holdings or against its directors or its management in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Republic of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against GSL Holdings' assets or its directors and officers.

#### **The price of GSL Holdings' common shares after the Merger may be volatile.**

The price of GSL Holdings' common shares after the Merger may be volatile, and may fluctuate due to factors such as:

actual or anticipated fluctuations in quarterly and annual results;

limited operating history;

mergers and strategic alliances in the shipping industry;

market conditions in the industry;

changes in government regulation;

fluctuations in GSL Holdings' quarterly revenues and earnings and those of its publicly held competitors;

shortfalls in GSL Holdings' operating results from levels forecasted by securities analysts;

announcements concerning GSL Holdings or its competitors; and

the general state of the securities markets.

The international containership industry has been highly unpredictable and volatile. The market for common shares in this industry may be equally volatile.

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**GSL Holdings cannot assure you that it will pay any dividends and GSL Holdings' dividend policy is subject to change at the discretion of its board of directors.**

GSL Holdings intends to pay regular quarterly dividends. The declaration and payment of dividends is subject at all times to the discretion of GSL Holdings' board of directors. GSL Holdings intends to distribute a portion of its cash flow to its shareholders, while retaining cash flow for reinvestment in its business. Retained cash flow may be used to fund vessel or fleet acquisitions, make debt repayments and for other purposes, as determined by GSL Holdings' management and board of directors. GSL Holdings' dividend policy reflects its judgment that by reinvesting cash flow in its business, it will be able to provide value to its shareholders by enhancing its long-term dividend paying capacity. GSL Holdings' objectives are to increase distributable cash flow per share through acquisitions of additional vessels beyond its initial and contracted fleet of 17 vessels. GSL Holdings cannot assure you that it will be successful in achieving these objectives. There can be no assurance that its actual results will be as anticipated, that its board of directors will not increase the level of reserves or otherwise change its dividend policy or that GSL Holdings will not have additional cash expenses or liabilities, including extraordinary expenses.

The amounts of future dividends set forth in Dividend Policy represent only estimates of future dividends based on its charters, estimated ship management costs, estimates of the delivery dates for its initial and contracted fleet, other expenses and the other matters and assumptions set forth therein and assume that none of its expenses will increase during the periods presented in those sections.

The timing and amount of future dividends, if any, could also be affected by various factors, including:

GSL Holdings' earnings, financial condition and anticipated cash requirements;

delays in acquiring any or all of the vessels in its contracted fleet;

unexpected repairs to, or required capital expenditures on, vessels or drydocking costs in excess of amounts held in reserve;

additional acquisitions of vessels (other than its contracted fleet);

the loss of a vessel;

restrictions under its credit facility and in any future debt agreements; and

the provisions under Marshall Islands law affecting distributions to shareholders, which generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received from the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such dividend.

**A substantial portion of the dividends of GSL Holdings are expected to represent a return of capital.**

The dividend policy of GSL Holdings is to make distributions to its stockholders out of available cash flow, rather than net income, after all relevant cash expenditures, including cash interest expense on borrowings that finance operating assets, cash income taxes and after an allowance for the cash cost of future drydockings but not including deductions for non-cash items including depreciation and amortization and changes in the fair values of financial instruments, if any. Therefore, the amount of dividends for any period could exceed the net income for such period. GSL Holdings estimates that a substantial portion of the anticipated dividends will represent a return of capital. GSL Holdings' preliminary calculations indicate that approximately (i) 35 to 40% of the dividends anticipated to be paid in 2008 will represent a return of capital and (ii) 60 to 70% of the dividends anticipated to be paid in 2009 and 2010 will represent a return of capital. Actual amounts for any year will not be known until after the end of such year and could differ significantly from these estimates.





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### **GSL Holdings' ability to pay dividends is limited by its payments to CMA CGM and by Marshall Islands law.**

In addition to limiting payments of dividends if GSL Holdings is, or could become, insolvent, Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares). For accounting purposes, GSL Holdings will be deemed to have been under common control of CMA CGM at the time of the transfer of the initial vessels to Global Ship Lease. GSL Holdings will therefore treat the difference between its initial fleet's purchase price and its initial fleet's book value as a distribution to CMA CGM. This deemed distribution will reduce the size of its surplus amount available for distribution by a corresponding amount. This accounting treatment may adversely affect its ability to pay dividends to you immediately following the Merger.

### **Marathon and Global Ship Lease have incurred and expect to incur significant costs associated with the Merger, whether or not the Merger is completed and the incurrence of these costs will reduce the amount of cash available to be used for other corporate purposes.**

Marathon and Global Ship Lease expect to incur significant costs associated with the Merger. If the Merger is completed, we expect to incur approximately \$15,670,000 in expenses. These expenses will reduce the amount of cash available to be used for other corporate purposes.

### **Marathon may waive one or more of the conditions to the Merger without resoliciting stockholder approval for the Merger.**

Marathon may agree to waive, in whole or in part, some of the conditions to its obligations to complete the Merger, to the extent permitted by applicable laws. The board of directors of Marathon will evaluate the materiality of any waiver to determine whether amendment of this joint proxy statement/prospectus and resolicitation of proxies is warranted. In some instances, if the board of directors of Marathon determines that a waiver is not sufficiently material to warrant resolicitation of stockholders, Marathon has the discretion to complete the Merger without seeking further stockholder approval.

### **GSL Holdings has anti-takeover provisions in its organizational documents that may discourage a change of control.**

Certain provisions of GSL Holdings' articles of incorporation and bylaws may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a shareholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by shareholders.

Certain of these provisions provide for:

a classified board of directors with staggered three-year terms;

restrictions on business combinations with certain interested shareholders;

directors only to be removed for cause and only with the affirmative vote of holders of at least a majority of the common shares entitled to vote in the election of directors;

advance notice for nominations of directors by shareholders and for shareholders to include matters to be considered at annual meetings; and

a limited ability for shareholders to call special shareholder meetings.

These anti-takeover provisions could make it more difficult for a third party to acquire GSL Holdings, even if the third party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their shares.



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**There will be a substantial number of GSL Holdings' common shares available for sale in the future that may adversely affect the market price of GSL Holdings' Class A common shares.**

The common shares (not including the common shares underlying the sponsors warrants) to be issued in the Merger to Marathon's initial stockholders and CMA CGM will be subject to transfer restrictions set forth in the stockholders agreement. Generally, such shares cannot be sold for one year from the date of the Merger, except that CMA CGM will be permitted to transfer (i) up to 4,094,600 Class A common shares after the date that is 120 days after the date of the Merger, (ii) Class A common shares to the extent necessary for CMA CGM to satisfy its obligation to return any prepaid amounts pursuant to the asset purchase agreement on or after March 31, 2009, and (iii) up to 125,000 common shares to its directors and officers. Pursuant to the registration rights agreement to be entered into as of the Merger, Marathon's initial stockholders and CMA CGM can demand that GSL Holdings register the resale of their common shares at any time after the one year anniversary of the Merger. In addition, an entity owned and controlled by Michael S. Gross will have the right to demand that GSL Holdings register the sponsor warrants and the underlying Class A common shares that it will hold at any time after the Merger. Furthermore, under the registration rights agreement, these holders can request that GSL Holdings file a shelf registration statement with respect to their common shares as soon as the applicable transfer restrictions under the stockholders agreement expire. If all registration rights are exercised in full, there will then be an additional 40,035,850 common shares, in addition to common shares which may be issued on exercise of the 5,500,000 sponsor warrants, respectively, that are eligible for trading in the public market. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of GSL Holdings' Class A common shares.

**GSL Holdings' working capital will be reduced if Marathon stockholders exercise their right to convert their shares into cash. This would reduce cash reserves after the Merger.**

Pursuant to Marathon's certificate of incorporation, holders of shares issued in Marathon's initial public offering may vote against the Merger and demand that Marathon convert their shares into cash. Marathon will not consummate the Merger if holders of 8,003,167 or more shares of common stock issued in Marathon's initial public offering exercise these conversion rights. To the extent the Merger is consummated and holders have demanded to so convert their shares, there will be a corresponding reduction in the amount of funds available to the combined company following the Merger. As of March 31, 2008, assuming the Merger Proposal is adopted, the maximum amount of funds that could be disbursed to Marathon's stockholders upon the exercise of their conversion rights is approximately \$63.2 million, or approximately 20% of the funds then held in the trust account. Any payment upon exercise of conversion rights will reduce cash reserves after the Merger.

### **Risk Factors Relating to Tax Matters**

**GSL Holdings' operating income could fail to qualify for an exemption from U.S. federal income taxation, which will reduce its cash flow.**

GSL Holdings does not expect to be engaged in a United States trade or business. In the case of a foreign corporation that is not so engaged, the Code imposes a 4% U.S. federal income tax (without allowance of any deductions) on 50% of the corporation's gross transportation income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, unless the corporation qualifies for the exemption provided in Section 883 of the Code. The imposition of this tax could have a negative effect on its business and could result in decreased earnings available for distribution to its shareholders. Under the charter agreements, the initial Charterer has agreed to provide reimbursement for any such taxes.

GSL Holdings may qualify for the tax exemption provided by Section 883 of the Code. However, there are factual circumstances beyond its control that could cause GSL Holdings not to have the benefit of this exemption and thereby be subject to the 4% tax described above. For example, if shareholders with a 5% or greater interest in its common shares were collectively to own 50% or more of its outstanding common shares on more than half the days during a taxable year, GSL Holdings would probably not be able to qualify for the exemption provided

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under Section 883 of the Code. Based on information that Marathon has as to its current stockholders, it appears that, if such stockholders were to retain the GSL Holdings Class A common shares that they receive in the Migratory Merger, GSL Holdings likely would not qualify for the Section 883 exemption. Because this, as well as other factors relevant to the availability of the Section 883 exemption, will depend on future facts over which GSL Holdings has no control, GSL Holdings can give no assurances that it will qualify for the Section 883 exemption. See

Material U.S. Federal Income Tax Consequences Taxation of GSL Holdings Following the Merger The Section 883 exemption for a more comprehensive discussion of the transportation income exemption.

### **GSL Holdings could be taxed as a United States corporation**

Section 7874 of the Code provides that a foreign corporation which acquires substantially all the properties of a U.S. corporation is generally treated as though it were a U.S. corporation for U.S. federal income tax purposes if, after the acquisition, at least 80% (by vote or value) of the stock of the foreign corporation is owned by former shareholders of the U.S. corporation by reason of owning stock in the U.S. corporation. Completion of the Merger is conditioned on the receipt of a legal opinion of Akin Gump Strauss Hauer & Feld LLP that this rule should not apply to GSL Holdings following the Merger. It is expected that such opinion will be based on the reasoning that GSL Holdings common shares issued to CMA CGM in the Merger should dilute the ownership of former owners of Marathon common stock in GSL Holdings below the 80% threshold. Such opinion will rely, in part, on assumptions, representations and other information as to certain factual matters, including valuation. Valuation is a question of fact and is subjective. There can be no assurance that the Internal Revenue Service would not seek to challenge the correctness of such assumptions, representations or other information or the conclusion reached in such legal opinion, or that such a challenge would not be successful.

If GSL Holdings were to be treated as a U.S. corporation, its net income would be subject to U.S. federal corporate income tax, with the highest statutory rate currently being 35%. The imposition of this tax would likely have a negative effect on its business and result in decreased earnings available for distribution to its shareholders. See Material U.S. Federal Income Tax Consequences Taxation of GSL Holdings Following the Merger Possibility of taxation as a U.S. corporation for a more comprehensive discussion of the tax consequences to GSL Holdings being taxed as a U.S. corporation.

### **Certain adverse U.S. federal income tax consequences could arise for United States holders.**

Shareholders of a passive foreign investment company, or PFIC, that are United States persons within the meaning of the Code, which GSL Holdings refers to as United States shareholders, are subject to a disadvantageous U.S. federal income tax regime with respect to the distributions they receive from a PFIC and the gain, if any, they derive from the sale or other disposition of their shares in a PFIC (as discussed below). In addition, dividends paid by a PFIC do not constitute qualified dividend income and, hence, are ineligible for the preferential rate of tax that applies to qualified dividend income.

A foreign corporation is treated as a PFIC if either (1) 75% or more of its gross income for any taxable year consists of certain types of passive income or (2) 50% or more of the average value of the corporation's assets produce or are held for the production of those types of passive income. For purposes of these tests, passive income includes dividends, interest and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business; income derived from the performance of services does not, however, constitute passive income.

While there are legal uncertainties involved in this determination, based on representations made by Global Ship Lease, GSL Holdings and Marathon, Simpson Thacher & Bartlett LLP, or Simpson Thacher, has advised GSL Holdings, and will deliver an opinion to the effect, that (1) the charters Global Ship Lease has entered into with CMA CGM should constitute service contracts rather than leases for U.S. federal income tax purposes and

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(2) as a result, the income from these charters should not constitute passive income, and the assets GSL Holdings owns for the production of this income should not constitute passive assets. Based on this opinion, GSL Holdings does not expect that it will constitute a PFIC with respect to the current or any future taxable year.

There is, however, no direct legal authority under the PFIC rules addressing its current and projected future operations. In addition, Simpson Thacher's opinion will be based on certain representations to be made by Global Ship Lease, GSL Holdings and Marathon, and such representations will not be presented for review to the IRS. Accordingly, no assurance can be given that the IRS will not assert that GSL Holdings is a PFIC with respect to any taxable year, nor that a court would not uphold any such assertion. Moreover, no assurance can be given that GSL Holdings will be able to avoid PFIC classification for any future taxable year if GSL Holdings decides to change the nature and/or extent of its operations.

If the IRS were to determine that GSL Holdings is or has been a PFIC for any taxable year, its U.S. holders of shares or warrants will face adverse United States tax consequences. Distributions paid by GSL Holdings with respect to its shares will not constitute qualified dividend income if GSL Holdings were a PFIC in the year GSL Holdings pays a dividend or in the prior taxable year and, hence, will not be eligible for the preferential rate of tax that applies to qualified dividend income. In addition, its U.S. holders of shares or warrants (other than shareholders who have made a qualified electing fund or mark-to-market election) will be subject to special rules relating to the taxation of excess distributions with excess distributions being defined to include certain distributions GSL Holdings may make on its common shares as well as gain recognized by a U.S. holder on a disposition of its common shares or warrants. In general, the amount of any excess distribution will be allocated ratably to each day of the U.S. holder's holding period for its common shares or warrants. The amount allocated to the current year and any taxable year prior to the first taxable year for which GSL Holdings was a PFIC will be included in the U.S. holder's gross income for the current year as ordinary income. With respect to amounts allocated to prior years for which GSL Holdings was a PFIC, the tax imposed for the current year will be increased by the deferred tax amount, which is an amount calculated with respect to each prior year by multiplying the amount allocated to such year by the highest rate of tax in effect for such year, together with an interest charge as though the amounts of tax were overdue. See Material U.S. Federal Income Tax Consequences Tax Consequences of Holding Shares and Warrants U.S. holders Consequences of possible passive foreign investment company classification for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. holders of common shares or warrants if GSL Holdings were treated as a PFIC (including those applicable to U.S. shareholders who make a qualified electing fund or mark-to-market election).

**GSL Holdings may be subject to taxation on all or part of its income in the United Kingdom, which could have a material adverse affect on its results of operations.**

If GSL Holdings were considered to be a resident of the United Kingdom or to have a permanent establishment in the United Kingdom, all or a part of its profits could be subject to UK corporate tax, which currently has a maximum rate of 30%. GSL Holdings intends to be managed and controlled from outside the United Kingdom and to restrict its activities within the United Kingdom so that its UK taxes will be minimized. Certain intra-group services may be provided from within the United Kingdom, in which case UK corporate tax will be payable on the arms-length price for those services. The appropriate arms-length price in these circumstances is likely to be a matter of negotiation with the UK taxing authorities.

Because some administrative and executive services will be provided to GSL Holdings by a subsidiary company located in the United Kingdom and certain of its directors may reside in the United Kingdom, and because UK statutory and case law fail to definitively identify the activities that constitute a trade being carried on in the United Kingdom through a permanent establishment, the UK taxing authorities may contend that GSL Holdings is subject to UK corporate tax on all of its income, or on a greater portion of its income than GSL Holdings currently expects to be taxed. If the UK taxing authorities made such a contention, GSL Holdings could incur substantial legal costs defending its position, and, if GSL Holdings was unsuccessful in its defense, its results of operations would be materially adversely affected.

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**Marathon may be subject to tax on the Migratory Merger.**

Although Marathon does not expect to incur any substantial U.S. federal income tax as a result of the Migratory Merger, it is possible that Marathon could recognize income for U.S. federal income tax purposes as a result of the Migratory Merger and that the amount of tax on such income could be substantial. Any tax incurred by Marathon as a result of the Migratory Merger would become a liability of GSL Holdings. See Material U.S. Federal Income Tax Consequences Tax Consequences of the Migratory Merger for a more comprehensive discussion of the tax aspects of the Migratory Merger.

**The Migratory Merger may be taxable to stockholders, warrant holders and Marathon.**

Although consummation of the Merger is conditioned on the receipt of an opinion of counsel to the effect that the Migratory Merger should constitute a reorganization, due to the absence of definitive legal authority involving transactions similar to the Merger, it is possible that the IRS could successfully assert that the Migratory Merger does not so qualify. In that case, stockholders of Marathon would recognize gain or loss equal to the difference between their basis in their Marathon common stock and the fair market value of GSL Holdings common shares received in the Migratory Merger. Holders of warrants would recognize gain or loss equal to the difference between their basis in their Marathon warrants and the fair market value of GSL Holdings warrants received in the Migratory Merger, and Marathon would recognize gain equal to the excess of GSL Holdings common shares and warrants issued in the Migratory Merger over its basis in its assets. See Material U.S. Federal Income Tax Consequences Tax Consequences of the Migratory Merger for a more comprehensive discussion of the tax aspects of the Migratory Merger.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains forward-looking statements. Forward-looking statements provide our current expectations or forecasts of future events. Forward-looking statements include statements about our 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. Examples of forward-looking statements in this joint proxy statement/prospectus include, but are not limited to, statements regarding our disclosure concerning Global Ship Lease's operations, cash flows, financial position, dividend policy and likelihood of success to acquire all vessels in Global Ship Lease's initial and contracted fleet to expand Global Ship Lease's business, including acquiring additional vessels.

Forward-looking statements appear in a number of places in this joint proxy statement/prospectus including, without limitation, in the sections entitled Dividend Policy, Management's Discussion and Analysis of Financial Conditions and Results of Operations of Global Ship Lease, The International Containership Industry and Global Ship Lease Business. The risks and uncertainties include, but are not limited to:

future operating or financial results;

expectations regarding the strength of the future growth of the shipping industry, including the rate of annual demand growth in the international containership industry;

future payments of dividends and the availability of cash for payment of dividends;

Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments;

future acquisitions, business strategy and expected capital spending;

operating expenses, availability of crew, number of off-hire days, drydocking (beyond the disclosed reserve), survey requirements and insurance costs;

general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;

Global Ship Lease's ability to repay its credit facility and grow using the available funds under its credit facility;

assumptions regarding interest rates and inflation;

change in the rate of growth of global and various regional economies;

risks incidental to vessel operation, including discharge of pollutants and vessel collisions;



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Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing in the future (from warrant exercises or outside services) to fund capital expenditures, acquisitions and other general corporate activities;

estimated future capital expenditures needed to preserve Global Ship Lease's capital base;

ability to effect an acquisition and to meet target returns;

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 long-term, fixed-rate 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;

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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;

potential liability from future litigation; and

other factors discussed in Risk Factors.

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. Our actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in Risk Factors in this joint proxy statement/prospectus. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we will file from time to time with the Securities and Exchange Commission, or SEC, after the date of this joint proxy statement/prospectus.

**Table of Contents****DIVIDEND POLICY**

The Merger will create three classes of common shares. Based on the assumptions and the other matters set forth below and subject to the matters set forth under Risk Factors, after consummation of the Merger, GSL Holdings intends to pay a quarterly dividend of at least \$0.18 per share, or \$0.72 per share per year, payable with respect to the third quarter of 2008 and quarterly thereafter, increasing to a dividend of at least \$0.19 per share, or \$0.76 per share per year, payable with respect to the third quarter of 2009 to the holders of GSL Holdings Class A common shares and subordinated Class B common shares. There can be no assurance, however, that GSL Holdings will pay regular quarterly dividends in the future.

The dividend policy of GSL Holdings is to make distributions to its stockholders out of available cash flow, rather than net income, after all relevant cash expenditures, including cash interest expense on borrowings that finance operating assets, cash income taxes and after an allowance for the cash cost of future drydockings but not including deductions for non-cash items including depreciation and amortization and changes in the fair values of financial instruments, if any.

GSL Holdings preliminary calculations indicate that approximately (i) 35 to 40% of the dividends anticipated to be paid in 2008 will represent a return of capital and (ii) 60 to 70% of the dividends anticipated to be paid in 2009 and 2010 will represent a return of capital.

The table below analyzes GSL Holdings ability to pay the proposed dividend amounts on its Class A common stock based on the pro forma financial information for the quarter ended March 31, 2008. Under three of the four scenarios (maximum conversions/fully diluted, maximum conversions/basic and no conversions/basic), GSL Holdings has sufficient cash from operations. Under the no conversions/fully diluted scenario, there is a shortfall. GSL Holdings believes that the likelihood of such shortfall occurring during this period is low because warrants and other convertible securities are typically not exercised significantly in advance of their expiration date (August 2010).

	<b>Three months ended March 31, 2008</b>	
	<b>No conversions</b>	<b>Maximum conversions</b>
	(\$ thousands)	
Pro forma net income	6,758	6,057
Adjustment for non cash items		
Depreciation and amortization	5,743	5,743
Reverse accretion of earnings for intangible liabilities (1)	(1,302)	(1,302)
Reverse charge for equity incentive awards (2)	488	488
	11,687	10,986
Allowance for future dry dock (3)	(700)	(700)
Cash from operations available for dividends	10,987	10,286
<b>Weighted average number of Class A common shares outstanding</b>		
No conversions (4)		
Basic	52,255,450	
Fully diluted	62,701,774	
Maximum conversions (4)		
Basic	44,252,284	
Fully diluted	54,698,608	
<b>Dividend per common share per quarter (\$)</b>	<b>0.18</b>	
<b>Total dividend</b>		
Basic	9,406	7,965
Fully diluted	11,286	9,846
<b>Surplus/(shortfall)</b>		
Basic	1,581	2,321
Fully diluted	(299)	440



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- (1) Reversal of accretion to earnings for the amortization of the intangible liability established as a result of the Merger to record the effect of below market leases. See note O.
- (2) Reversal of the pro forma charge for equity incentive awards which are not expected to give rise to a cash expense in the quarter. See note T.
- (3) In determining cash available from operations for the payment of dividends, it is the intention of the board of directors to set aside an amount estimated to cover anticipated cash costs of future drydockings to manage what would be otherwise potentially substantial and volatile effects on quarterly cashflow as the costs of drydocking are significant (an average of \$940 per ship) and at five yearly intervals with timing largely determined by the relevant regulatory rules.
- (4) The pro forma financial information is presented with no conversion of common stock into cash and also on the basis of maximum conversion of 19.99% (or 8,003,166 shares) of common stock into cash.

Retained cash flow may be used to fund vessel or fleet acquisitions, make debt repayments and for other purposes, as determined by GSL Holdings management and board of directors. GSL Holdings dividend policy reflects its judgment that by reinvesting cash flow in its business, it will be able to provide value to its shareholders by enhancing its long-term dividend paying capacity. GSL Holdings objectives are to increase distributable cash flow per share through acquisitions of additional vessels beyond its initial and contracted fleet of 17 vessels. GSL Holdings cannot assure you that it will be successful in achieving these objectives.

In addition to its regular dividend payments, shortly after the consummation of the Merger, GSL Holdings intends to pay a starting dividend of \$0.18 per Class A common share. The declaration of the dividend is expected to occur shortly after the consummation of the Merger.

After the Merger, Marathon's initial stockholders and CMA CGM will hold an aggregate of 10 million subordinated Class B common shares. The terms of the subordinated Class B common shares are intended to provide added assurance that GSL Holdings will be able to pay regular quarterly dividends on its Class A common shares equal to its initial base dividend of \$0.18 per share or an adjusted base dividend of \$0.19 per share payable with respect to the third quarter of 2009. In general, during the subordination period, GSL Holdings will pay quarterly dividends on its Class A common shares and subordinated Class B common shares from its operating surplus (as defined in the amended and restated articles of incorporation) in the following manner:

*first*, 100% to all Class A common shares, pro rata, until each outstanding common share has been paid an amount equal to the applicable base dividend for that quarter;

*second*, 100% to all Class A common shares, pro rata, until they have received any unpaid arrearages in the base dividend for prior quarters during the subordination period;

*third*, 100% to all subordinated Class B common shares, pro rata, until each outstanding Class B common share has been paid an amount equal to the applicable base dividend for that quarter;

*after that*, 100% to all Class A and Class B common shares, pro rata, as if they were a single class.

Notwithstanding the foregoing, subordinated Class B common shares will not be entitled to receive dividends prior to those paid with respect to the first quarter of 2009. Class C common shares will not be entitled to receive dividends and will convert into Class A common shares on a one-for-one basis on January 1, 2009 or, if earlier, upon a change of control of GSL Holdings.

The declaration and payment of any dividend is subject at all times to the discretion of GSL Holdings board of directors and will depend on, among other things, its earnings, financial condition and anticipated cash requirements and availability, additional acquisitions of vessels, restrictions under its credit facility, the provisions of Marshall Islands law affecting the payment of distributions to shareholders, required capital and drydocking expenditures, reserves established by its board of directors, increased or unanticipated expenses, a change in its dividend policy, additional borrowings or future issuances of securities and other factors, many of which will be beyond its control.

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GSL Holdings cannot assure you that its future dividends will be distributed in the frequency set forth in this joint proxy statement/prospectus, or that its estimate of cash available for distribution or its estimated future dividends for its initial and subsequent distribution periods will in fact be equal to the amount set forth above or elsewhere in this joint proxy statement/prospectus. Its ability to pay dividends may be limited by the amount of cash it can generate from operations following the payment of fees and expenses and the establishment of any reserves as well as additional factors unrelated to its profitability and assumes that GSL Holdings does not make any vessel acquisitions beyond those set forth in this joint proxy statement/prospectus. GSL Holdings is a holding company, and GSL Holdings will depend on the ability of its subsidiaries to distribute funds to GSL Holdings in order to satisfy its financial obligations and to pay dividend payments. Further, its board of directors may elect to not distribute any dividends or may significantly reduce the dividends GSL Holdings projects in this joint proxy statement/prospectus. As a result, the amount of dividends actually paid, if any, may vary from the amount currently estimated and such variations may be material. Please see [Risk factors](#) for a discussion of the risks associated with its ability to pay dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

GSL Holdings believes that, under current U.S. federal income tax law, some portion of the distributions you receive from GSL Holdings will constitute dividends and, if you are an individual that is a citizen or resident of the United States and that meets certain holding period and other requirements, such dividends will be taxable as [qualified dividend income](#) (subject to a maximum 15% U.S. federal income tax rate through 2010). Please see [Material U.S. Federal Income Tax Consequences Tax Consequences of Holding Common Shares and Warrants U.S. holders Taxation of dividends paid on common shares](#) for information regarding the eligibility requirements for [qualified dividend income](#) and for a discussion of proposed legislation that, if enacted, would prevent dividends paid by GSL Holdings from constituting [qualified dividend income](#).

**Table of Contents****CAPITALIZATION OF MARATHON**

The following table sets forth the capitalization of Marathon as of March 31, 2008:

on an actual basis;

on an as adjusted basis giving effect to (i) the issuance of 25,219,600 shares of common stock to CMA CGM in respect of the stock consideration portion of the Merger; (ii) the Merger; (iii) the assumption of \$186.6 million of indebtedness (net of repayment of \$214.5 million); (iv) no conversions of shares; and

on an as further adjusted basis after giving effect to the conversion of up to 8,003,166 shares of common stock and the assumption of \$250.0 million of indebtedness (net of repayment of \$151.1 million).

The capitalization of Marathon as adjusted and as further adjusted does not reflect the estimated long-term intangible liability.

There have been no significant adjustments to Marathon's capital structure since March 31, 2008. You should read this capitalization table together with Management's Discussion and Analysis of Financial Condition and Results of Operations of Marathon and the financial statements and related notes appearing elsewhere in this joint proxy statement/prospectus.

	Actual	As Adjusted	As Further Adjusted
	(in thousands of U.S. dollars except per share data)		
<b>Long term debt:</b>	\$	\$ 186,583	\$ 249,991
Common stock subject to possible redemption	61,795		
Interest attributable to common stock subject to possible conversion	1,613		
<b>Stockholders' equity:</b>			
Preferred stock, \$0.0001 par value (1,000,000 shares authorized, none issued or outstanding)			
Common stock, \$0.0001 par value (249,000,000 shares authorized, 49,410,850 issued and outstanding)	5		
Class A common stock (214,000,000 shares authorized, par value \$0.01 per share, 52,255,450 as adjusted, and 44,252,284 as further adjusted, issued and outstanding)		523	443
Class B common stock (20,000,000 shares authorized, par value \$0.01 per share, 10,000,000 issued and outstanding)		100	100
Class C common stock (15,000,000 shares authorized, par value \$0.01 per share, 12,375,000 issued and outstanding)		124	124
Additional paid-in capital	240,553	489,255	427,540
Retained earnings	6,917	8,530	6,917
Total stockholders' equity	247,475	498,532	435,124
<b>Total capitalization</b> (including current maturities of long-term debt)	\$ 310,883	\$ 685,115	\$ 685,115

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**SPECIAL MEETING OF MARATHON STOCKHOLDERS**

**General**

We are furnishing this joint proxy statement/prospectus to the Marathon stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting of Marathon stockholders to be held on August 6, 2008, and at any adjournment or postponement thereof. This joint proxy statement/prospectus is first being furnished to our stockholders on or about July 11, 2008 in connection with the vote on the Merger Proposal, the Certificate Amendment Proposal and the Adjournment Proposal. This document provides you with the information you need to know to be able to vote or instruct your vote to be cast at the special meeting.

**Date, Time and Place**

The special meeting of stockholders will be held at 10:00 a.m. New York City Time, on August 6, 2008, at Marathon Acquisition Corp., located at 500 Park Avenue, 5th Floor, New York, New York.

**Purpose of the Marathon Special Meeting**

At the special meeting, we are asking holders of Marathon common stock to approve the following proposals:

The Merger Proposal a proposal to adopt the Agreement and Plan of Merger, dated as of March 21, 2008, by and among Marathon, GSL Holdings, Inc., CMA CGM S.A. and Global Ship Lease, Inc., and to approve the Merger contemplated thereby, pursuant to which Marathon and Global Ship Lease will merge with and into GSL Holdings and Global Ship Lease;

The Certificate Amendment Proposal a proposal to amend Marathon's certificate of incorporation to permit the Merger under the merger agreement; and

The Adjournment Proposal a proposal to authorize the adjournment of the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event there are insufficient votes for, or otherwise in connection with, the adoption of the Merger Proposal and the transactions contemplated thereby or the Certificate Amendment Proposal.

**Recommendation of Marathon Board of Directors**

Our board of directors:

has determined that each of the Merger Proposal, the Certificate Amendment Proposal and Adjournment Proposal is fair to, and in the best interests of, Marathon and its stockholders;

has approved the Merger Proposal, the Certificate Amendment Proposal and Adjournment Proposal; and

recommends that Marathon's common stockholders vote FOR each of the Merger Proposal, the Certificate Amendment Proposal and Adjournment Proposal.

**Record Date; Who is Entitled to Vote**

We have fixed the close of business on July 7, 2008, as the record date for determining those Marathon stockholders entitled to notice of and to vote at the special meeting. As of the close of business on July 7, 2008, there were 49,410,850 shares of our common stock outstanding and entitled to vote. Each holder of common stock is entitled to one vote per share on each proposal on which such shares are entitled to vote at the special meeting. Holders of warrants are not entitled to vote at the special meeting.





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As of July 7, 2008, Marathon's initial stockholders, either directly or beneficially, owned and were entitled to vote 11,375,000 shares, or approximately 23.0% of Marathon's outstanding common stock. With respect to the Merger, Marathon's initial stockholders have agreed to vote 9,375,000 of their respective shares of common stock which were acquired by them prior to the initial public offering, or 19.0% of the outstanding common stock, in accordance with the majority of the shares of common stock voted by the public stockholders. Marathon's initial stockholders and directors and Marathon Investors, LLC have also agreed that they will vote any shares they purchase in the open market in or after the initial public offering in favor of the Merger. As of July 7, 2008, 2,000,000 shares, or 4.0% of the outstanding common stock, are subject to this voting arrangement. They have indicated that they intend to vote their shares FOR each of the other proposals although there is no agreement in place with respect to these proposals.

### **Quorum**

Stockholders representing a majority of the common stock issued and outstanding and entitled to vote at the special meeting, present in person or represented by proxy, will constitute a quorum. In the absence of a quorum, stockholders representing a majority of the votes present in person or represented by proxy at such meeting, may adjourn the meeting until a quorum is present.

### **Abstentions and Broker Non-Votes**

Proxies that are marked abstain and proxies relating to street name shares that are returned to us but marked by brokers as not voted will be treated as shares present for purposes of determining the presence of a quorum on all matters. The latter will not be treated as shares entitled to vote on the matter as to which authority to vote is withheld by the broker. If you do not give the broker voting instructions, under the rules of the AMEX, your broker may not vote your shares on the Merger Proposal and the Certificate Amendment Proposal, but may vote on the Adjournment Proposal. Since a stockholder must affirmatively vote against adoption of the Merger Proposal to have conversion rights, individuals who fail to vote or who abstain from voting on the Merger Proposal may not exercise their conversion rights. Record holders whose shares are voted against adoption of the Merger Proposal and beneficial holders of shares held in street name that are voted against the adoption of the Merger Proposal may exercise their conversion rights. Please see the information set forth in Special Meeting of Marathon Stockholders Conversion Rights.

### **Vote of Our Stockholders Required**

The adoption of the Merger Proposal will require the affirmative vote of the holders of a majority of the shares of Marathon common stock issued in the initial public offering cast at the special meeting; provided, however, that if 20% (8,003,167) or more of the shares purchased in our initial public offering vote against adoption of the Merger Proposal and demand conversion then the transaction will not be completed. Because abstentions and broker non-votes are not votes cast, they will have no effect on the approval of the Merger Proposal.

The adoption of the Certificate Amendment Proposal and the Adjournment Proposal will require the affirmative vote of the holders of a majority of the common stock represented and entitled to vote at the special meeting in person or by proxy. Abstentions and broker non-votes will have the same effect as a vote against these proposals.

### **Voting Your Shares**

Each share of Marathon common stock that you own in your name entitles you to one vote for each proposal on which such shares are entitled to vote at the special meeting. Your proxy card shows the number of shares of our common stock that you own.

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There are two ways to ensure that your shares of Marathon common stock are voted at the special meeting:

You can cause your shares to be voted by signing and returning the enclosed proxy card. If you submit your proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card but do not give instructions on how to vote your shares, your shares will be voted, as recommended by our board, FOR the adoption of the Merger Proposal, the Certificate Amendment Proposal and the Adjournment Proposal. Votes received after a matter has been voted upon at the special meeting will not be counted.

You can attend the special meeting and vote in person. We will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way we can be sure that the broker, bank or nominee has not already voted your shares.

**IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF THE MERGER PROPOSAL (AS WELL AS THE OTHER PROPOSALS) AND YOU WILL NOT BE ELIGIBLE TO HAVE YOUR SHARES CONVERTED INTO A PRO RATA PORTION OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE NET PROCEEDS OF MARATHON'S INITIAL PUBLIC OFFERING ARE HELD. YOU MUST AFFIRMATIVELY VOTE AGAINST THE MERGER PROPOSAL AND DEMAND THAT MARATHON CONVERT YOUR SHARES INTO CASH NO LATER THAN THE CLOSE OF THE VOTE ON THE MERGER PROPOSAL TO EXERCISE YOUR CONVERSION RIGHTS. IN ORDER TO CONVERT YOUR SHARES, YOU MUST CONTINUE TO HOLD YOUR SHARES THROUGH THE CLOSING DATE OF THE MERGER AND THEN TENDER YOUR PHYSICAL STOCK CERTIFICATE TO OUR STOCK TRANSFER AGENT WITHIN TEN BUSINESS DAYS FOLLOWING THE VOTE ON THE MERGER. IF THE MERGER IS NOT COMPLETED, THEN THESE SHARES WILL NOT BE CONVERTED INTO CASH. IF YOU HOLD THE SHARES IN STREET NAME, YOU WILL NEED TO ELECTRONICALLY TRANSFER YOUR SHARES TO THE DTC ACCOUNT OF MELLON INVESTOR SERVICES LLC, OUR TRANSFER AGENT, WITHIN TEN BUSINESS DAYS FOLLOWING THE VOTE ON THE MERGER.**

### **Revoking Your Proxy**

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

you may send another proxy card with a later date;

you may notify our corporate secretary in writing before the special meeting that you have revoked your proxy; or

you may attend the special meeting, revoke your proxy, and vote in person, as indicated above.

### **Who Can Answer Your Questions About Voting Your Shares**

If you have any questions about how to vote or direct a vote in respect of your shares of our common stock, you may call Morrow & Co., LLC, our proxy solicitor, at (800) 270-3670 or our corporate secretary at (212) 993-1670.

### **No Additional Matters May Be Presented at the Special Meeting**

This special meeting has been called only to consider the adoption of the Merger Proposal, the Certificate Amendment Proposal and the Adjournment Proposal. Under our bylaws, other than procedural matters incident to the conduct of the special meeting, no other matters may be considered at the special meeting if they are not included in the notice of the special meeting.



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**Conversion Rights**

Pursuant to Marathon's certificate of incorporation, a holder of shares of Marathon common stock issued in the initial public offering may, if the stockholder affirmatively votes against the Merger, demand that Marathon convert such shares into cash. This includes any stockholder who acquires shares issued in the initial public offering through purchases following the initial public offering, and such stockholder is entitled to conversion rights. This demand must be made in writing prior to the close of the vote on the Merger Proposal at the special meeting. Demand may be made by checking the box on the proxy card provided for that purpose and returning the proxy card in accordance with the instructions provided. Such demand may also be made in any other writing that clearly states that conversion is demanded and is delivered so that it is received by Marathon at any time up to the special meeting. If you hold the shares in street name, instruct the account executive at your bank or broker to electronically transfer your shares, within ten business days following the completion of the Merger vote, to the DTC account of Mellon Investor Services LLC, in its capacity as stock transfer agent.

In addition, in order to exercise your conversion rights you must:

provide to Mellon Investor Services LLC, with the stock certificate or a copy of the instruction to your bank or broker to electronically transfer your shares at DTC, a written certificate addressed to Marathon to the effect that (i) you are a holder of record as of the record date for purposes of the special meeting of stockholders, (ii) you have held the shares you seek to convert since the record date, and (iii) you will continue to hold the shares through the closing date of the Merger

continue to hold your shares through the completion of the transaction. Within ten business days following the completion of the Merger vote, you must tender the book entry shares to the DTC account of Mellon Investor Services LLC or physical stock certificate (together with necessary stock powers, letter of instructions and a certificate addressed to Marathon) to Mellon Investor Services LLC, our transfer agent, at the following address: Mellon Investor Services LLC, at Newport Office Center VII, 480 Washington Blvd., Jersey City, NJ 07310, Attention: Jackie Banks, Tel. (201) 680-5135, Fax (212) 680-4665.

If you hold the shares in street name, you will need to instruct the account executive at your bank or broker to electronically transfer your shares to the DTC account of Mellon Investor Services LLC, in its capacity as stock transfer agent, in order to tender your shares in connection with a demand for conversion. Certificates that have not been tendered will not be converted into cash. In the event you tender shares and later decide that you do not want to convert your shares, you will need to withdraw the tender by delivering a written or facsimile transmission notice of withdrawal to Mellon Investor Services LLC at the address set forth above. Withdrawn shares may be redelivered by following one of the procedures described above. No stockholder may withdraw shares after the Merger. Marathon reserves the right to contest the validity of any withdrawal and all questions as to the form and validity (including time of receipt) of any withdrawal will be determined by Marathon in its sole discretion (whose determination will be final and binding). None of Marathon, Mellon Investor Services LLC or any other person will be under any duty to give notification of any defects or irregularities in any withdrawal or incur any liability for failure to give any such notification. If you have any questions or need assistance with exercising your conversion rights, please contact Jackie Banks at Mellon Investor Services LLC at the numbers stated above as early as possible.

If the conversion is properly demanded by following the instructions described above and the Merger is completed, Marathon will convert each share of common stock into cash. The actual per share conversion price will be equal to the aggregate amount then on deposit in the trust account, before payment of deferred underwriting discounts and commissions and including accrued interest, net of any income taxes on such interest, which shall be paid from the trust account, and net of interest income of \$3.9 million previously released to Marathon to fund working capital requirements (subject to the tax holdback) (calculated as of two business days prior to the consummation of the Merger), divided by the number of shares sold in the initial public offering. As of March 31, 2008, there was approximately \$316 million in the Marathon trust account (inclusive of the

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deferred underwriting compensation) plus accrued interest on the funds in the trust account and less accrued taxes, or approximately \$7.90 per share issued in the initial public offering. If you exercise your conversion rights, then you will be exchanging your shares of Marathon common stock for cash and will no longer own the shares after the transaction. Prior to exercising conversion rights, Marathon stockholders should verify the market price of common stock, as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights if the market price per share is higher than the conversion price.

If the Merger is not completed, these shares will not be converted into cash. However, if we are unable to complete the Merger or an alternative business combination, we may be required to commence proceedings to dissolve and liquidate. In such an event, we cannot guarantee that the public stockholders will receive at least the amount they would have received if they had sought conversion of their shares and we had completed the Merger. Our dissolution and liquidation may be subject to substantial delays and the amounts in the trust account, and each public stockholder's pro rata portion thereof, may be subject to the claims of creditors or other third parties.

If the holders of 20% (8,003,167) or more of the shares of common stock issued in the initial public offering vote against adoption of the Merger Proposal and demand conversion of their shares, we will not complete the Merger, notwithstanding that the stockholders may have approved the Merger Proposal.

### **Appraisal Rights**

Stockholders of Marathon do not have appraisal rights in connection with the Merger under the DGCL.

### **Proxies and Proxy and Consent Solicitation Costs**

We are soliciting proxies on behalf of our board of directors. This solicitation is being made by mail but also may be made by telephone or in person. We and our directors, officers and employees may also solicit proxies in person, by telephone or by other electronic means. Any solicitation made and information provided in such a solicitation will be consistent with the written proxy statement and proxy card. Morrow & Co., LLC, a proxy solicitation firm that we have engaged to assist us in soliciting proxies, will be paid its customary fee of approximately \$15,000 plus out-of-pocket expenses. Morrow & Co., LLC will also be paid a consent solicitation fee of approximately \$10,500. Such fees will be paid with non-trust account funds.

We will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy materials to their principals and to obtain their authority to execute proxies and voting instructions. We will reimburse them for their reasonable expenses.

If you send in your completed proxy card, you may still vote your shares in person if you revoke your proxy before it is exercised at the special meeting.

### **Marathon Initial Stockholders**

As of July 7, 2008, Marathon's initial stockholders, either directly or beneficially, owned and were entitled to vote 11,375,000 shares or approximately 23.0% of Marathon's outstanding common stock. With respect to the Merger, Marathon's initial stockholders have agreed to vote 9,375,000 of their respective shares of common stock which were acquired by them prior to the initial public offering, or 19.0% of the outstanding common stock, in accordance with the majority of the shares of common stock voted by the public stockholders. Marathon's initial stockholders and directors and Marathon Investors, LLC have also agreed that they will vote any shares they purchase in the open market in or after the initial public offering in favor of the Merger. As of July 7, 2008, 2,000,000 shares, or 4.0% of the outstanding common stock, were subject to this voting arrangement. They have indicated that they intend to vote their shares FOR the Certificate Amendment Proposal and, if necessary, the Adjournment Proposal although there is no agreement in place with respect to these proposals.

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**THE MERGER PROPOSAL**

The discussion in this joint proxy statement/prospectus of the Merger and the principal terms of the merger agreement among Marathon, GSL Holdings, CMA CGM, and Global Ship Lease, is subject to, and is qualified in its entirety by reference to, the merger agreement. The full text of the merger agreement is attached hereto as Appendix A, which is incorporated by reference herein.

**General Description of the Merger**

On March 21, 2008, Marathon and GSL Holdings, a newly formed, Marshall Islands subsidiary of Marathon entered into a merger agreement with CMA CGM and Global Ship Lease. Pursuant to the merger agreement, Marathon will merge with and into GSL Holdings, and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc.

As a result of the Merger, each holder of a share of Marathon common stock will receive one share of Class A common shares of GSL Holdings, except that a certain portion of the consideration received by Marathon Founders, LLC and other initial stockholders will include an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares; and CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings.

**Background of the Merger**

The terms of the merger agreement are the result of negotiations between representatives of Marathon and CMA CGM. The following is a brief discussion of the background of these negotiations, the Merger and related transactions.

Marathon is a blank check company that was organized under the laws of the State of Delaware on April 27, 2006. Marathon was formed to acquire an operating business or several operating businesses through a merger, stock exchange, asset acquisition, reorganization or similar business combination.

On August 30, 2006, Marathon consummated its initial public offering of 37,500,000 units, each consisting of one share of common stock and one warrant exercisable for an additional share of common stock at an exercise price of \$6.00 per warrant, and received proceeds of approximately \$279,000,000, net of underwriting discounts and commissions of approximately \$21,000,000 (including approximately \$6,000,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). In addition, on September 22, 2006, the underwriters for Marathon's initial public offering exercised their over-allotment option, which closed on September 27, 2006, generating additional proceeds of approximately \$18,867,000, net of underwriting discounts and commissions of approximately \$1,420,000 (including approximately \$400,000 of additional deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). On August 30, 2006, Marathon also consummated a private placement of 5,500,000 warrants at \$1.00 per warrant with each warrant exercisable for one share of common stock, which we refer to as the sponsor warrants, to Marathon Investors, LLC, an entity owned and controlled by Marathon's chief executive officer, for an aggregate purchase price of \$5,500,000. The proceeds of this private placement were also placed in the trust account. Under the terms of the investment management trust account agreement, Marathon is permitted to receive up to \$3,900,000 in interest income from the trust account, in addition to the \$100,000 which was held outside of the trust account, for use to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. To date, Marathon has withdrawn the \$3,900,000 in interest income.

As disclosed in the prospectus for the initial public offering, at no time prior to the consummation of the initial public offering did Marathon, or any of its officers, directors, advisors, consultants or affiliates, contact, or engage in any discussions regarding a business combination with, any potential target on behalf of Marathon.

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Subsequent to the consummation of the initial public offering on August 30, 2006, Marathon commenced efforts to identify and evaluate potential acquisitions with the objective of consummating a business combination. Marathon identified the following criteria and guidelines, as stated in its prospectus, that it used to evaluate prospective target businesses and business combination opportunities, which included, but were not limited to the following:

Established companies with positive cash flow

Strong competitive position in industry

Experienced management team

Diversified customer and supplier base

In the initial months after the initial public offering, Marathon conducted screens based upon the following metrics:

Private companies with EBITDA greater than \$50 million

Portfolio companies in mature financial sponsor funds

Companies with large near term debt maturities

Overleveraged companies

Failed or withdrawn initial public offerings

Portfolio companies with which Marathon management had previously transacted

In addition, Marathon management attempted to initiate conversations (i) directly with third-party companies they believed could make attractive combination partners, (ii) with professional service providers (lawyers, accountants, consultants and investment bankers) and (iii) with its own network of business associates and friends. Marathon educated these parties on the SPAC structure and Marathon's criteria for an acquisition. Marathon also responded to inquiries from investment bankers or other similar professionals who represented companies engaged in sale or financing processes. From time to time the database of potential candidates was updated and supplemented based on additional information derived from these discussions with third parties.

On a quarterly basis, the Marathon board of directors was updated with respect to the status of the business combination search.

The screening and sourcing efforts through Marathon's professional network resulted in a multitude of potential targets. These opportunities were evaluated based on Marathon's stated criteria. Many did not fit Marathon's criteria, while some were eliminated due to too small an enterprise value or indications that the sellers' valuation expectations were too high. The screening process was repeated multiple times, and Marathon remained in continual dialogue with its sourcing network. Through these efforts, the volume of potential targets remained high. Yet, due to the historically high valuations financial sponsors were willing to pay for acquisitions, financed with debt at historically high multiples, Marathon's management found that valuations of certain target businesses were excessive in relation to their historical returns. However, following the credit market dislocation in the summer of 2007, the opportunities that Marathon sourced and were provided through its network improved.



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Marathon declined to move forward on some opportunities because it did not believe the financial characteristics, industry profile and position, management teams, attainable valuations and/or deal structures were suitable. There were also companies that were not interested in pursuing a deal with Marathon based on its publicly-traded status, capital structure or ability to close with sufficient certainty. Other companies decided to accept competitive bids from other acquirers or take themselves public.

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Based on Marathon's screening efforts and criteria evaluation, companies were determined as appropriate targets to advance to the next phase of the selection process. Non-disclosure agreements (and trust waivers) were signed with these potential targets and preliminary discussions were initiated with these potential targets. From this universe of potential targets, 12 companies were further pursued. With these 12 targets, Marathon had substantive discussions, conducted extensive due diligence, and engaged the potential seller in a negotiation process.

The following table highlights the target businesses on which Marathon advanced to the negotiation stage, but which were ultimately dismissed as a business combination candidate:

<b>Target Company Business</b>	<b>Activity Period</b>	<b>Reason not Pursued</b>
Food	November 2006 - December 2006	Auction process
Cruise Line	November 2006 - January 2007	Did not agree on valuation
Financial Services	March 2007 - May 2007	Seller decided not to sell
Brand Licensor	May 2007	Seller decided not to sell
Alternative Asset Management	June 2007 - July 2007	Did not agree on valuation
Alternative Asset Management	July 2007 - September 2007	Seller decided public company not optimal structure
Telecommunications	September 2007 - October 2007	Seller decided to issue debt to meet capital need
Media	November 2007 - February 2008	Industry weakness
Payment Processor	December 2007 - February 2008	High execution risk
Water Supply	January 2008 - February 2008	Seller decided not to sell
Food Processor	January 2008 - March 2008	Transaction would not be as large as desired, and achieving necessary public market valuation would be challenging

On December 18, 2007, the Marathon board of directors convened to hear an update on the progress of sourcing a target business. Marathon management discussed that the dislocation in the markets had caused an influx of more attractive opportunities with less competition from financial sponsors who required significant debt financings at high leverage multiples in order to finance an acquisition. At this meeting, negotiations with a media company requiring capital to fund a near-term debt maturity were discussed. Negotiations with the media company were ultimately terminated because a transaction could not be agreed upon as industry weakness drove lower valuations.

Marathon identified Global Ship Lease as a potential target business which had previously filed a registration statement with the SEC for an initial public offering. After review of Global Ship Lease's preliminary prospectus, industry research, and calls with industry contacts, Marathon concluded that Global Ship Lease was well-suited for operating as a public company; that its initial attempt at accessing the public markets was hampered by weak market conditions; and that the foreign-owned company would benefit from strong sponsorship from a partner located in the United States.

On January 7, 2008, Marathon contacted representatives of Citigroup Global Markets Inc. (Citi), a bookrunner in Global Ship Lease's attempted initial public offering and also the sole bookrunner of Marathon's initial public offering, to convey Marathon's interest in discussing the potential for a transaction with Global Ship Lease. Further discussions with Citi occurred on the following day, after which Marathon requested that an introduction be made to Global Ship Lease.

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On January 14, 2008, CMA CGM and Global Ship Lease's chief executive officer, Ian Webber, gave a business and financial presentation to Marathon. Shortly thereafter, Marathon received additional financial information on Global Ship Lease and Marathon began its due diligence process.

Based upon this information, and review of Global Ship Lease's SEC filings, comparable company analysis, and several follow-up conversations with Global Ship Lease management and Citi, acting as CMA CGM's financial advisor, Marathon calculated an initial proposed purchase price, which it presented to CMA CGM on February 2, 2008.

CMA CGM provided a counterproposal on February 4, 2008. At this time, it was evident to both parties that an agreement could be reached because the proposed merger would be advantageous to both Global Ship Lease and Marathon. CMA CGM and the Global Ship Lease management team traveled to New York in order for Marathon to conduct a three-day due diligence review, as well as to provide an in-person opportunity for final negotiations on the purchase price.

On February 15, 2008, the Marathon board of directors met by teleconference to discuss the status of negotiations with various possible targets. Marathon management informed the Marathon board of directors that due to the increased flow of attractive acquisition opportunities, it had advanced discussions with three potential targets; a water supply company, a food processing company and Global Ship Lease. In order to conduct further due diligence and analysis, and maintain an edge in negotiations by having other alternatives available, Marathon management asked that its board of directors authorize Marathon's entry into non-binding letters of intent with those three companies.

Over the course of the following week, Marathon entered into non-binding letters of intent with the food processing company and the water supply company. On February 24, 2008, Marathon and CMA CGM executed a non-binding letter of intent with respect to a possible acquisition of Global Ship Lease. None of the discussions with potential target companies, other than Global Ship Lease, resulted in a definitive agreement regarding a potential business combination.

Promptly thereafter, Marathon and its advisors began to conduct legal due diligence on Global Ship Lease as business due diligence continued. On February 27, 2008, Simpson Thacher & Bartlett LLP, legal counsel to Marathon circulated an initial draft of the merger agreement.

Over the next several days, the parties engaged in extensive negotiations and the exchange of multiple drafts of the merger agreement and the other transaction documents. In addition, during this period, there were frequent communications between Marathon and CMA CGM and their respective counsel regarding due diligence and transaction terms.

Due diligence conducted by Marathon with respect to Global Ship Lease included the following:

Calls with industry experts

Research via industry publications on industry dynamics, cycles, operating cost projections, and other industry factors

Multiple calls/discussions with management regarding operations and projections

Background checks

Legal review of documentation, including ship documentation

Review by Drewry of the ship inspection reports (Marathon intends to conduct physical inspections on a portion of the vessels prior to closing)

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Third party review of the insurance contracts

Credit analysis on CMA CGM, as Global Ship Lease's charter counterparty

Review of precedent transactions

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Concurrently with the due diligence review and document negotiation for Global Ship Lease, Marathon continued its due diligence reviews and negotiations with the other two companies with which it signed non-binding letters of intent. Through this process, Global Ship Lease emerged as the target company for which negotiations had progressed most favorably and which Marathon management believed to be the best investment opportunity for its public stockholders. Negotiations with the water supply company were terminated by the water supply company when it decided to pursue other alternatives.

On March 10, 2008, Jefferies began work as Marathon's financial advisor with respect to the Global Ship Lease transaction.

On March 13, 2008, representatives of Marathon and Simpson Thacher & Bartlett LLP met in New York City with representatives of CMA CGM, Global Ship Lease, CMA CGM's financial advisor and CMA CGM's legal counsel, Orrick, Herrington & Sutcliffe LLP, to negotiate the material issues relating to the Merger.

On March 14, 2008, the Marathon board of directors met by teleconference to discuss the proposed Merger. Marathon management provided an update on the status of the Global Ship Lease transaction as well as the rationale for the transaction and a financial review. Marathon management and Simpson Thacher & Bartlett LLP provided a review of the due diligence conducted on Global Ship Lease. Simpson Thacher & Bartlett LLP reviewed the terms of the current drafts of the merger agreement and related transaction agreements. Jefferies provided a review of the containership industry and a business overview of Global Ship Lease and CMA CGM. Akin Gump Strauss Hauer & Feld provided a review of the tax considerations relating to the transaction. Marathon management and its advisors answered questions from the Marathon board of directors. The Marathon board of directors authorized the continued negotiation of definitive agreements with CMA CGM and Global Ship Lease.

At this meeting, Marathon informed the board of directors that as part of the Global Ship Lease transaction structure, more than 50% of the founders' shares (5,000,000 of 9,375,000 shares) would be restructured. Upon completion of the Merger, the 5,000,000 founders shares would be converted into Class B common shares, which would be subordinated in terms of dividend payment to the public shareholders (Class A common shares). Marathon informed the board of directors that these Class B common shares would not be entitled to the first two dividends and would be subordinated to Class A common shares with respect to the rights to future dividend payments for at least three years. Marathon explained that this would negatively affect the liquidity and value of the founders shares. Marathon concluded that the subordination, coupled with the subordination of 5,000,000 of CMA CGM's shares, significantly improved the overall structure and attractiveness of the proposed Global Ship Lease transaction for Marathon's stockholders by providing support to the dividend to Class A common shares.

Over the next four days, the parties continued to negotiate the merger agreement and other transaction documents and Marathon and its advisors concluded their due diligence of Global Ship Lease.

On March 18, 2008, the Marathon board of directors met again by teleconference to authorize the proposed acquisition of Global Ship Lease. Jefferies provided a financial presentation relating to the Merger and rendered to the Marathon board of directors an oral opinion as to the fairness, from a financial point of view, to Marathon of the consideration to be paid by Marathon in the Merger and related transactions and that the fair market value of Global Ship Lease, assuming the close of the Merger and the related transactions, is at least equal to 80% of the Trust Account Assets (as that term is defined therein). Simpson Thacher & Bartlett LLP provided an update on the terms of the merger agreement and related transaction agreements. Marathon again discussed with the board of directors the reasons for the recommendation of the transaction with Global Ship Lease and the appeal of the contemplated structure. See Marathon Board of Directors' Reasons for the Approval of the Merger. Marathon management, Jefferies, Simpson Thacher & Bartlett LLP and Akin Gump Strauss Hauer & Feld LLP answered questions from members of the Marathon board of directors.

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Mr. Gross provided an update on the other two targets with which Marathon had entered into letters of intent. He informed the Marathon board of directors that the water supply company had determined to pursue other alternatives. With respect to the food processing company, it was stated that given that the transaction would be approximately half the size of the Global Ship Lease transaction and issues regarding financial, operating and market uncertainties and other matters surfaced during due diligence which would require substantial explanation, achieving an acceptable public market valuation in the SPAC structure would be difficult. In addition, unlike Global Ship Lease, that had filed a registration statement with the SEC in 2007, with respect to both the water supply company and the food processing company, there was concern regarding the preparation of required public disclosure within a relatively short time frame.

The Marathon board of directors then approved the merger agreement and related transactions by a unanimous vote, subject to negotiation of the final terms by management and subject to the receipt of consents of the lenders under Global Ship Lease's credit facility. Marathon's board of directors also determined that Global Ship Lease, assuming the closing of the Merger and the related transactions, would have a fair market value equal to at least 80% of Marathon's trust value (minus the deferred underwriting fee). The Marathon board of directors also approved the First Supplemental Founders' Warrant Purchase Agreement and the First Supplemental Warrant Agreement.

Over the following days, the parties finalized the merger agreement and related agreements and CMA CGM obtained the necessary consents of the lenders under Global Ship Lease's credit facility to the proposed transaction.

On March 20, 2008, a committee of the Marathon board of directors composed of the disinterested directors, and advised by separate legal counsel, met by teleconference to authorize the Second Supplemental Warrant Agreement which would be effective only if the Merger is consummated. Marathon Investors, LLC, an entity owned and controlled by Marathon's chief executive officer, the holder of all of the outstanding sponsor warrants, consented to the provisions which revised the terms of the sponsor warrants to require mandatory cashless exercise (in which the holder would receive fewer shares upon their exercise than would have been received had the holder been able to exercise the warrants for cash) and redemption of the warrants on the same terms as the public warrants at the company's option (forcing the acceptance of the \$.01 per share redemption price in the event the company exercises its redemption rights). Earlier, as part of the Merger negotiations between the parties, Marathon Founders, LLC and the Marathon directors agreed to subordinate 5,000,000 of their founders' shares.

On March 21, 2008, Marathon, GSL Holdings, CMA CGM and Global Ship Lease entered into the definitive merger agreement. On the same date, Jefferies delivered a written fairness opinion.

On March 24, 2008, Marathon publicly announced the execution of the merger agreement through a press release. Marathon and Global Ship Lease also conducted a conference call and began investor presentations regarding the transaction.

On June 2, 2008, the parties to the merger agreement amended the merger agreement to modify the stockholders agreement (which is an exhibit to the merger agreement) to exempt shares of common stock purchased after the initial public offering from the transfer restrictions and to add Mr. Gross as a party to the registration rights agreement (which is an exhibit to the merger agreement).

On June 4, 2008 Mr. Gross entered into a stock purchase plan with Citi, in accordance with the guidelines of Rule 10b5-1 and the provisions of Rule 10b-18 of the Exchange Act, under which he placed a limit order to purchase up to two million shares of Marathon common stock at a price of \$8 per share or below beginning on June 4, 2008, the first business day after Amendment No. 1 to the joint proxy statement/prospectus was filed with the SEC, until July 3, 2008 (the business day immediately preceding the record date for the meeting of stockholders at which the Merger is to be voted upon by Marathon's stockholders).

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On June 26, 2008, Marathon announced that Global Ship Lease, Inc. expects to pay a starting dividend of \$0.18 per share on its Class A common shares to be declared shortly after the Merger.

Also, on June 26, 2008, Marathon announced that it had set July 7, 2008 as the record date for the special meeting and the determination of the warrant holders for the purpose of the consent solicitation.

On July 3, 2008, in connection with the starting dividend, the parties amended the merger agreement to modify the amended and restated articles of incorporation of GSL Holdings (which is an exhibit to the merger agreement) to provide that the starting dividend would not be treated as being paid from operating surplus or as a liquidating dividend and that holders of Class B common shares will be entitled to dividends with respect to the fourth quarter of 2008. See Description of Securities Dividends .

There are no finders fees payable in connection with the Merger. The merger agreement provides that the initial board of directors of GSL Holdings will be appointed by Marathon. It is expected that Mr. Gross will be one of the directors of GSL Holdings and will receive the same remuneration as the other directors of GSL Holdings. Other than Mr. Gross, no persons responsible for negotiating the merger agreement on behalf of any party are accepting any position or remuneration from any party in connection with the Merger.

### **Marathon Board of Directors Reasons for the Approval of the Merger**

The Marathon board of directors concluded that the Merger and the related transactions are in the best interests of Marathon s stockholders and that the consideration to be paid in the Merger and the related transactions is fair to Marathon.

The consideration to be paid in the Merger and the related transactions was determined by several factors. Marathon s board of directors considered various industry and financial data, including certain valuation analyses and metrics compiled by Marathon s management and Jefferies, in order to determine that the consideration to be paid in the Merger and the related transactions is fair, from a financial perspective, to Marathon and in the best interests of Marathon and its stockholders.

Marathon conducted a due diligence review of Global Ship Lease that included an industry analysis, an evaluation of Global Ship Lease s existing business model, a valuation analysis and financial projections in order to enable the board of directors to ascertain the reasonableness of the consideration to be paid by Marathon. Prior to approving the merger agreement and the other transaction agreements, the board of directors obtained an opinion from Jefferies as to the fairness, from a financial point of view, to Marathon of the consideration to be paid by Marathon.

Marathon s board of directors considered a wide variety of factors in connection with its evaluation of the transaction. In light of the complexity of those factors, Marathon s board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of marathon s board of directors may have given different weight to different factors. Marathon s board of directors determined that the merger agreement and the Merger and the related transactions contemplated thereby are fair to Marathon from a financial perspective, and in the best interests of Marathon and its stockholders.

### ***Favorable Factors***

In considering the transaction, the Marathon board of directors gave considerable weight to the following favorable factors:

*Global Ship Lease is well-positioned for significant fleet growth.*

In addition to Global Ship Lease s initial 12 vessel fleet, the company s total TEU will increase 82.5% post delivery of five additional vessels, four of which are expected to be delivered in December 2008 and one in July

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2009 by CMA CGM. In addition to this contracted growth, Global Ship Lease will have the ability to expand its fleet through acquisitions of vessels in a manner that it determines would provide attractive returns and be accretive to cash flow in the near term. Global Ship Lease will be able to fund acquisitions of additional vessels outside its contracted fleet using borrowings under the existing credit facility, future borrowings under new credit facilities and the gross proceeds of up to \$240 million from the possible exercise of the warrants. Global Ship Lease's existing \$800 million credit facility is expected to have approximately \$274.3 million of availability after the delivery of the five contracted vessels from CMA CGM. Global Ship Lease also expects to have the ability to raise capital in the future to further grow its fleet.

*The global container shipping industry is growing and fundamental to the world economy and Global Ship Lease is well positioned to take advantage of these opportunities.*

The container shipping industry has exhibited high demand growth with a compound annual growth rate in volume terms (as measured in TEU's) of approximately 10% over the period from 1997 through 2007. The global container shipping industry is not concentrated to any specific area of the world, with emerging markets comprising a growing portion of global trade. As a result of global liner companies' management of their capital, they are increasingly looking to charter owners such as Global Ship Lease from which to charter vessels as an alternative to direct ownership. Chartered-in vessels accounted for approximately 50% of the top 10 container shipping companies' capacity in February 2008, compared to less than 30% in 1997. Global Ship Lease believes that it is well-positioned to capitalize on this trend by offering container shipping companies competitive charters of newbuildings and secondhand vessels to either grow their fleet or to replace owned vessels with long-term chartered vessels. The containership owner market is highly fragmented, providing Global Ship Lease with ample opportunities for accretive vessel acquisitions. Global Ship Lease currently ranks among the top 20 containership charterowners.

*Global Ship Lease's long-term, fixed-rate charters and predictable operating expenses provide stable cash flow.*

Global Ship Lease derives its revenue from long-term fixed-rate charters, with terms of five to 17 years and an average term of approximately eleven years. The staggered expiration of the charters on Global Ship Lease's 17 vessel fleet reduces its re-chartering risk as charters may expire during different points in economic cycles. These charters provide Global Ship Lease with high fleet utilization and relatively stable revenues. Global Ship Lease owns a modern fleet, which reduces operating costs and improves safety. Moreover, during the first three years of operation, Global Ship Lease's ship operating costs will be capped, with the ability to switch to a lower cost provider after the first year of the respective ship management agreement in certain circumstances. Global Ship Lease's predictable revenue, predictable operating expenses and fixed financing costs provide highly visible and stable cash flows.

*Global Ship Lease's strong management team and the complementary skills of Marathon's management.*

Global Ship Lease's management team has an aggregate of over 40 years of shipping experience and long-term industry relationships that will allow the company to capitalize on the attractive industry growth opportunities. Chief Executive Officer Ian Webber most recently served as Chief Financial Officer of CP Ships. Chief Financial Officer Susan Cook is the former Group Head of Specialized Finance at P&O and Chief Commercial Officer Thomas Lister is a former ship financier at DVB Bank having previously held other positions at charter owners and liner companies. The Marathon board of directors believes that due to management's long experience in the container shipping industry, Global Ship Lease will be able to identify new vessel acquisitions that meet its rate of return thresholds and are accretive to distributable cash flow per share.

The Marathon board of directors preferred an acquisition opportunity in which the skills of Marathon's management team could be leveraged to the benefit of the target company. In particular, Marathon management's financing, deal structuring and management expertise, coupled with the Global Ship Lease management team's industry relationships and acumen, is an attractive combination that creates a strong platform for future acquisitions. The issuance of subordinated Class B common shares (with a minimum three year



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subordination period) to Marathon's initial stockholders demonstrates Marathon management's long-term support and commitment to Global Ship Lease. Marathon's Chairman and CEO, with over 20 years of experience in financial structuring, has expertise to assist Global Ship Lease with future capital raisings and accretive acquisitions and intends to be on the board of directors of Global Ship Lease upon the Merger.

*GSL Holdings is expected to be able to pay attractive dividends on the common shares.*

GSL Holdings intends to pay quarterly dividends to the holders of its common shares in amounts that will allow it to retain a portion of its cash flows to reinvest in its fleet or vessel or fleet acquisitions, or for debt repayment and dry-docking costs, as determined by the board of directors. As currently contemplated, GSL Holdings will pay a quarterly dividend of \$0.18 per share, which will increase 5.6% to \$0.19 per share with respect to the third quarter of 2009 once the five contracted vessels have been delivered. The dividends will be supported by long-term, stable cash flows and enhanced by the 10 million subordinated Class B common shares to be issued to Marathon's initial stockholders and CMA CGM in the Merger, which will not be entitled to the first two dividends and whose dividends will be subordinated to the dividends payable to the Class A common shares during the subordination period.

*Comparable company and transaction valuation metrics.*

The Marathon board of directors reviewed the fairness opinion delivered by Jefferies and analyses of valuation metrics provided by management and by Jefferies for comparable companies and transactions that Jefferies believed were relevant to the Global Ship Lease transaction. Based on this review and the attributes of Global Ship Lease's business, the Marathon board of directors was able to conclude that the enterprise value of Global Ship Lease was within the range of values suggested by comparable companies and comparable transactions. Accordingly, the Marathon board of directors found the consideration to be paid to CMA CGM to be fair to Marathon.

*The terms of the merger agreement and other transaction agreements.*

The terms of the merger agreement, including the closing conditions, covenants and termination provisions are customary and reasonable from Marathon's perspective. The Marathon board of directors placed importance on the merger agreement including customary and reasonable terms and conditions as it believed that such terms and conditions would protect Marathon's interests in the transaction and enhance the likelihood of closing. The Marathon board of directors believes that the terms and conditions of the merger agreement permit Marathon to proceed with the transaction with confidence. The Marathon board of directors also placed importance on the asset purchase agreement, the charter agreements, ship management agreements and related guarantees, the global expenses agreement and the transitional services agreement in that these agreements with CMA CGM will provide the framework under which Global Ship Lease will be able to execute its business plan.

*Satisfaction of the 80% Test.*

Any business acquired by Marathon must have a fair market value equal to at least 80% of the balance of the trust account (net of deferred underwriting discounts and commissions) at the time of the transaction. Based on the financial analysis of Global Ship Lease, Jefferies concluded in its fairness opinion that it presented to Marathon's board of directors that this condition was met. The Marathon board of directors believes, because of the opinion delivered by Jefferies and the financial skills and background of the directors, it was qualified to conclude that the Merger and the related transactions met this requirement.

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### ***Other Factors***

The board of directors of Marathon also considered potentially negative factors. Among the potentially negative factors considered by Marathon's board of directors, which are more fully described in the "Risk Factors" section of this joint proxy statement/prospectus, are the following:

*The risk that its public stockholders would vote against the Merger and exercise their conversion rights.*

Marathon's board of directors considered the risk that the current public stockholders of Marathon would vote against the transaction and decide to convert their shares for cash upon consummation of the transaction, thereby depleting the amount of cash available to GSL Holdings following the transaction. Because of the strong capital structure enjoyed by Marathon, Global Ship Lease's credit facility, and other factors, Marathon's board of directors deemed this risk to be minimal and believes that Global Ship Lease will still be able to implement its business plan even if the maximum number of public stockholders exercised their conversion rights and the company received only 80% of the funds deposited in the trust account.

*Certain officers and directors of Marathon may have different interests in the Merger than the Marathon stockholders.*

Marathon's board of directors considered the fact that certain officers and directors of Marathon may have interests in the Merger that are different from, or are in addition to, the interests of Marathon stockholders generally, including the matters described under "Interests of Marathon Directors and Officers in the Merger" below. However, this fact would exist with respect to a business combination with any target company, and the board of directors does not believe that the potentially disparate interests here are an issue.

*Global Ship Lease is a recently formed company with limited separate operating history.*

Marathon's board of directors considered the fact that Global Ship Lease is a recently formed company with limited operating history, and its combined financial statements do not reflect the results Global Ship Lease would have obtained under its long-term fixed-rate charters, ship management agreements and financing arrangements contemplated by the transaction. The board of directors believed that the information reviewed was sufficient to make an assessment as to Global Ship Lease going forward.

*Dependency on CMA CGM.*

The Marathon board of directors considered the risk that all of Global Ship Lease's vessels in its initial and contracted fleet are chartered to CMA CGM, or its wholly owned subsidiaries, and such payments to Global Ship Lease under the charters are its sole source of revenue and that Global Ship Lease will be dependent on CMA Ships as Ship Manager and on CMA CGM and its affiliates to provide transitional services in the near term. The Marathon board of directors believes that the strong support provided by CMA CGM, as evidenced by their significant share ownership, the investment grade rating of CMA CGM and the ability of Global Ship Lease to become more diversified over time through vessel acquisitions and its ability to change its ship manager and service providers, mitigates the risk.

*Business dependent on certain individuals.*

The Marathon board of directors recognized that Global Ship Lease's future success depends to a significant extent upon its Chief Executive Officer, Ian J. Webber, its Chief Financial Officer, Susan J. Cook and its Chief Commercial Officer, Thomas A. Lister. The board of directors believes that the ability of Marathon to use its publicly traded stock to provide appropriate compensation and incentive packages provides adequate means to retain these individuals as well as the means to attract other people needed to grow the business. In addition, the board of directors considered that the employment agreements signed by Global Ship Lease's management team mitigated the risk that these key employees would leave Global Ship Lease in the near term.

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The foregoing discussion of the information and factors considered by the Marathon board of directors is not meant to be exhaustive, but includes the material information and factors considered by the Marathon board of directors.

### **Recommendation of Marathon's Board of Directors**

After careful consideration, Marathon's board of directors determined that the Merger is fair to and in the best interests of Marathon and its stockholders. On the basis of the foregoing, Marathon's board of directors has approved and declared advisable the Merger and recommends that you vote or give instructions to vote **FOR** the adoption of the Merger Proposal.

**The board of directors recommends a vote **FOR** adoption of the Merger Proposal.**

### **Interests of Marathon Directors and Officers in the Merger**

When you consider the recommendation of Marathon's board of directors in favor of adoption of the Merger Proposal, you should keep in mind that Marathon's directors and officers have interests in the transaction that are different from, or in addition to, your interests as a stockholder.

If we do not complete the proposed Merger or an alternative business combination by August 30, 2008, Marathon will be required to commence proceedings to dissolve and liquidate. In such event, the 9,375,000 shares of common stock and 5,500,000 warrants held by Marathon's initial stockholders and Marathon Investors, LLC that were acquired prior to the initial public offering will be worthless because the Marathon initial stockholders and Marathon Investors, LLC have waived any rights to receive any liquidation proceeds with respect to these securities. The common stock and warrants had an aggregate market value (without taking into account any discount due to the restricted nature of such securities) of \$76,218,750 based on the closing sale prices of \$7.51 and \$0.62, respectively, on the AMEX and the OTC Bulletin Board on July 7, 2008 the record date.

Marathon initial stockholders and Marathon Investors LLC hold an aggregate of 9,375,000 shares of Marathon common stock and 5,500,000 warrants that they purchased prior to the initial public offering for a total consideration of approximately \$25,000 and \$5,500,000, respectively. In light of the amount of consideration paid, Marathon's directors and officers will likely benefit from the completion of Merger even if the Merger causes the market price of Marathon's securities to significantly decrease. This may influence their motivation for promoting the Merger and/or soliciting proxies for the adoption of the Merger Proposal.

With respect to the proposal for approval of the Merger only, each of Marathon's initial stockholders has agreed to vote all of his or its initial shares in accordance with the majority of the votes cast with respect to the Merger Proposal by the holders of the shares issued in the initial public offering, and any shares acquired in or after the initial public offering in favor of the Merger Proposal. As of July 7, 2008, 9,375,000 shares, or 19.0%, of the outstanding common stock will be voted in accordance with the majority of the votes cast and 4.0% of the outstanding common stock will be voted in favor of the Merger Proposal. This voting arrangement does not apply to any proposal other than the Merger Proposal. With respect to the Consent Solicitation, Marathon Investors, LLC owns 5,500,000 of the 45,535,850 outstanding warrants. While Marathon Investors, LLC and Marathon's officers and directors are not subject to any voting arrangement with respect to the Consent Solicitation, they have informed Marathon that they intend to give their consent for all warrants currently held, as well as any warrants that they may subsequently acquire. Furthermore, Marathon's officers and directors and their respective affiliates, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Marathon or its securities, may enter into a written plan to purchase Marathon securities pursuant to Rule 10b5-1 of the Exchange Act, and may engage in other permissible public market purchases, as well as private purchases, of securities. On June 4, 2008, Mr. Gross entered into a stock purchase plan with Citi in accordance with the guidelines

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of Rule 10b5-1 and the provisions of Rule 10b-18 of the Exchange Act, under which he placed a limit order to purchase up to two million shares (or approximately 4% of the outstanding shares) of Marathon common stock at a price of \$8 per share or below. Purchases commenced on June 4, 2008 and terminated on July 3, 2008, the last business day preceding the record date for the special meeting Mr. Gross used his own personal funds to acquire the shares purchased under the stock purchase plan to provide additional liquidity to Marathon stockholders and to demonstrate his further personal financial commitment to Marathon and the Merger. Under this plan, 2,000,000 shares were purchased at prices between \$7.59 and \$7.87 with an average price of \$7.84 per share. If Marathon's initial stockholders, Marathon Investors, LLC or Marathon's officers and directors purchase securities from existing Marathon stockholders that are likely to vote against the transaction, or that are likely to elect to convert their shares, or Marathon warrant holders that are likely to withhold their consent, the probability that the business combination will succeed, and that the required number of warrant consents will be received, increases.

After the completion of the Merger, we expect Mr. Gross will continue to serve as members of the board of directors of GSL Holdings. As such, in the future he may receive cash compensation, board fees, stock options or stock awards if the GSL Holdings board of directors so determines. Mr. Gross is currently expected to receive an annual payment of \$100,000 for his service on the GSL Holdings board of directors after the closing of the Merger.

If Marathon dissolves and liquidates prior to the consummation of a business combination, Mr. Gross, pursuant to a written agreement executed in connection with the initial public offering, will be personally liable to ensure that the proceeds in the trust account are not reduced by the claims of any vendor or other party with which Marathon has contracted for services rendered or products sold to Marathon and target businesses who have entered into written agreements, such as a letter of intent or confidentiality agreement, to the extent such claim actually reduces the amount of funds in the trust account. However, Mr. Gross has agreed to indemnify only if such party has not executed a waiver of its claims or a waiver of its rights to any distribution from the trust account. This agreement was entered into to reduce the risk that, in the event of Marathon's dissolution and liquidation, the trust account is reduced by claims of creditors. However, Marathon cannot assure you that Mr. Gross will be able to satisfy these indemnification obligations. If the Merger is completed, such obligations will terminate.

In addition, the exercise of Marathon's directors' and officers' discretion in agreeing to changes or waivers in the terms of the transaction may result in a conflict of interest when determining whether such changes or waivers are appropriate and in our stockholders' best interest.

### **Deferred Underwriting Fees for Marathon's Initial Public Offering and Certain Other Fee Arrangements in connection with the Merger**

In connection with Marathon's initial public offering, the underwriters (including Citi, which is acting as financial advisor to CMA CGM in connection with the Merger), agreed to defer fees equal to 2% of the gross proceeds from the sale of the units to the public stockholders, or approximately \$6.4 million, until the consummation of Marathon's initial business combination, which amount will be paid upon consummation of the Merger. In addition, CMA CGM may cause Global Ship Lease to pay Citi's financial advisory fee (in the amount of \$6.5 million, payable upon consummation of the Merger) and expenses incurred in connection with the Merger.

### **Fairness Opinion of Jefferies**

Jefferies was engaged to render an opinion to Marathon's board of directors as to whether (i) the consideration to be paid by Marathon pursuant to the Merger and the related transactions contemplated by the merger agreement and the asset purchase agreement is fair, from a financial point of view, to Marathon, and

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(ii) the fair market value of Global Ship Lease, assuming the closing of the Merger and the related transactions, is at least equal to 80% of the amount in Marathon's Trust Account, as defined in the merger agreement, excluding any amount that is or will be due and payable as deferred underwriting discounts and commissions pursuant to the terms and conditions of the underwriting agreement entered into in connection with initial public offering of Marathon's units (as adjusted, the Trust Account Assets). On March 18, 2008, Jefferies delivered to the Marathon's board of directors its oral opinion, subsequently confirmed in writing on March 21, 2008, that, as of the date of its opinion, based upon and subject to the assumptions, limitations, qualifications and factors contained in its opinion, (i) the consideration to be paid by Marathon pursuant to the Merger and the related transactions is fair, from a financial point of view, to Marathon, and (ii) the fair market value of Global Ship Lease, assuming the closing of the Merger and the related transactions, is at least equal to 80% of the Trust Account Assets. The March 21, 2008 opinion of Jefferies is referred to hereinafter in this section as the Opinion.

**The full text of the Opinion is attached to this joint proxy statement/prospectus as Appendix B and incorporated into this joint proxy statement/prospectus by reference. We urge you to read the Opinion in its entirety for the assumptions made, procedures followed, other matters considered and limits of the review undertaken in arriving at the Opinion.**

The Opinion is for the use and benefit of the board of directors of Marathon in its consideration of the Merger and the related transactions. The Opinion does not address the relative merits of the Merger and the related transactions contemplated by the merger agreement and the asset purchase agreement as compared to any alternative transaction or opportunity that might be available to Marathon, nor does it address the underlying business decision by Marathon to engage in the Merger and the related transactions. The Opinion does not constitute a recommendation as to how any holder of shares of Marathon common stock should vote on the Merger or any matter related thereto. In addition, the board of directors of Marathon did not ask Jefferies to address, and the Opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Merger and the related transactions. Furthermore, Jefferies does not express any view or opinion as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Marathon or Global Ship Lease, or any class of such persons in connection with the Merger and the related transactions, whether relative to the consideration to be paid by Marathon pursuant to the merger agreement and the asset purchase agreement or otherwise. Jefferies expresses no opinion as to the price at which shares of GSL Holdings or Marathon common stock will trade at any time. The Opinion has been approved by a fairness committee of Jefferies.

In arriving at the Opinion, Jefferies has, among other things:

1. reviewed the merger agreement, dated March 21, 2008;
2. reviewed the final form of the asset purchase agreement;
3. reviewed certain publicly available financial and other information about Marathon and Global Ship Lease;
4. reviewed certain information furnished to Jefferies by Global Ship Lease's management, including historical financial information and financial forecasts and analyses relating to the business, operations and prospects of Global Ship Lease;
5. held discussions with members of senior management of Marathon and Global Ship Lease concerning the matters described in items (3) and (4) above;
6. reviewed the share trading price history for Marathon common stock for the period ended March 14, 2008, and considered the liquidation value per share as of February 29, 2008 as provided by Marathon;
7. reviewed the valuation multiples for certain publicly traded companies that Jefferies deemed relevant;



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8. compared the proposed financial terms of the Merger and the related transactions with the financial terms of certain other transactions that Jefferies deemed relevant;
9. reviewed and compared the net asset value of Marathon to the indicated fair market value of Global Ship Lease; and
10. conducted such other financial studies, analyses and investigations as Jefferies deemed appropriate.

In Jefferies' review and analysis and in rendering the Opinion, Jefferies assumed and relied upon, but did not independently investigate or verify, the accuracy and completeness of all financial and other information that was supplied or otherwise made available to Jefferies by Marathon and Global Ship Lease or that was publicly available (including, without limitation, the information described above), or that was otherwise reviewed by Jefferies. Jefferies did not obtain any independent evaluation or appraisal of any assets or liabilities of, nor did Jefferies conduct a physical inspection of any of the properties or facilities of, Marathon or Global Ship Lease. Jefferies has not been furnished with any such evaluations or appraisals of such physical inspections, nor does Jefferies assume any responsibility to obtain any such evaluations or appraisals.

With respect to the financial forecasts provided to and examined by Jefferies, Jefferies notes that projecting future results of any company is inherently subject to uncertainty. Marathon has informed Jefferies, however, and Jefferies has assumed, that such financial forecasts were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Global Ship Lease as to the future financial performance of Global Ship Lease, and Jefferies has relied solely upon such financial forecasts prepared by the management of Global Ship Lease. Jefferies expresses no opinion as to Global Ship Lease's financial forecasts or the assumptions on which they are made.

The Opinion was based on economic, monetary, regulatory, market and other conditions existing and which can be evaluated as of the date of the Opinion. Jefferies has no undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion of which Jefferies becomes aware after the date of the Opinion.

Jefferies has made no independent investigation of any legal or accounting matters affecting Marathon or Global Ship Lease. Jefferies has assumed the correctness in all respects material to its analysis of all legal and accounting advice given to Marathon and its board of directors, including, without limitation, advice as to the legal, accounting and tax consequences of the terms of, and the Merger and the related transactions contemplated by, the merger agreement and the asset purchase agreement. Jefferies has also assumed that in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Merger and the related transactions, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Marathon, Global Ship Lease or the contemplated benefits of the Merger and the related transactions.

In addition, Jefferies was not requested to and did not provide advice concerning the structure, the specific amount of the consideration or any other aspects of the Merger and the related transactions. Jefferies did not participate in negotiations with respect to the terms of the Merger and related transactions. Consequently, Jefferies has assumed that such terms are the most beneficial terms from Marathon's perspective that could under the circumstances be negotiated among the parties to such transactions. Jefferies expresses no opinion whether any alternative transaction might result in terms and conditions more favorable to Marathon or its stockholders than those contemplated by the merger agreement and the asset purchase agreement.

The following is a brief summary of the analyses performed by Jefferies in connection with the Opinion. This summary is not intended to be an exhaustive description of the analyses performed by Jefferies, but includes all material factors considered by Jefferies in rendering the Opinion. Jefferies did not attribute any particular weight to any analysis, methodology or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor; accordingly, the analyses performed by Jefferies must be considered as a whole. Considering any portion of such analyses and of the factors considered, without

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considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusions expressed in the Opinion. Each analysis performed by Jefferies is a common methodology utilized in determining valuations. Although other valuation techniques may exist, Jefferies believes that the analyses described below, when taken as a whole, provide the most appropriate analyses for Jefferies to arrive at the Opinion.

**Comparable Public Company Analysis**

Comparable Public Company Analysis is a method of valuing an entity relative to publicly traded companies with similar products or services, similar operating or financial characteristics, or servicing similar customer markets. Jefferies reviewed and compared selected financial data for 10 publicly traded companies participating in the shipping industry that Jefferies deemed comparable to Global Ship Lease based on their fleet size, vessel age, vessel segments, charter coverage, remaining charter duration and dividend policy. The comparable companies chosen by Jefferies included:

Danaos Corporation	Navios Maritime Partners L.P.
Seaspan Corporation	OceanFreight Inc.
Arlington Tankers Ltd.	Omega Navigation Enterprises, Inc.
Capital Product Partners L.P.	Ship Finance International Limited
Double Hull Tankers, Inc.	Teekay LNG Partners L.P.

Jefferies noted that Danaos Corporation and Seaspan Corporation are engaged in the ownership, operation and chartering of containerships similar to Global Ship Lease; Arlington Tankers Ltd., Capital Product Partners L.P., Double Hull Tankers, Inc., and Omega Navigation Enterprises, Inc. are engaged in the ownership, operation and chartering of crude oil and product tankers; Navios Maritime Partners L.P. is engaged in the ownership, operation and chartering of drybulk vessels; Teekay LNG Partners L.P. is engaged in the ownership, operation and chartering of LNG, LPG and crude oil tankers; and OceanFreight Inc. and Ship Finance International Limited are engaged in the ownership, operation and chartering of diversified fleets.

For each of the comparable companies, Jefferies calculated total enterprise value as a multiple of (i) that company's estimated earnings before interest, taxes, depreciation and amortization ( EBITDA ), to the extent available, for the year ending December 31, 2008, as reflected in publicly available Wall Street estimates; (ii) that company's estimated EBITDA, to the extent available, for the year ending December 31, 2009, as reflected in publicly available Wall Street estimates; and (iii) that company's adjusted asset value, which is the market value of that company's fleet, based on industry research and adjusted for above or below market charters. Total enterprise value ( TEV ) was calculated as equity market value, plus net debt, all as of March 14, 2008. Net Debt equals total debt plus preferred stock plus minority interest less cash and cash equivalents. Jefferies then calculated each company's distributable cash yield using (a) that company's estimated distributable cash, to the extent available, for the year ending December 31, 2008, as reflected in publicly available Wall Street estimates and dividing by that company's equity value and (b) that company's estimated distributable cash, to the extent available, for the year ending December 31, 2009, as reflected in publicly available Wall Street estimates and dividing by that company's equity value. Estimated distributable cash was calculated as EBITDA less interest expense and taxes on income.

Jefferies then calculated a range of implied enterprise values by multiplying the most representative multiple range within the comparable public company set by (i) Global Ship Lease's projected EBITDA for the year ending December 31, 2008, based on Global Ship Lease management's estimates; (ii) Global Ship Lease's projected EBITDA for the year ending December 31, 2009, based on Global Ship Lease management's estimates; (iii) Global Ship Lease's projected fully delivered adjusted asset value, which was based on the average appraised value provided by Marathon as of December 31, 2007. Jefferies then calculated a range of implied transaction values by dividing (i) Global Ship Lease's projected distributable cash for the year ending December 31, 2008, based on Global Ship Lease management's estimates and adjusted for post-transaction debt repayment and (ii) Global Ship Lease's projected distributable cash for the year ending December 31, 2009,



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based on Global Ship Lease management's estimates by the most representative range of distributable cash yields within the comparable public company set and adding Global Ship Lease's Net Debt. The resulting ranges of implied enterprise values are set forth in the table below:

	<b>Comparable Public Company Multiple Range</b>	<b>Company Metric (millions)</b>	<b>Implied Enterprise Value Range (millions)</b>
TEV/EBITDA 2008E	7.0x - 16.8x	\$ 54.7 <sub>1</sub>	\$383 - \$920
TEV/EBITDA 2009E	8.0x - 13.0x	\$ 88.2 <sub>1</sub>	\$706 - \$1,147
TEV/Adjusted Asset Value	90% - 130%	\$ 1,110.0 <sub>2</sub>	\$999 - \$1,443
Distributable Cash Yield 2008E	7.6% - 20%	\$ 44.8 <sub>1</sub>	\$397 - \$762
Distributable Cash Yield 2009E	9.9% - 17%	\$ 68.8 <sub>1</sub>	\$916 - \$1,206

<sup>1</sup> Figures are based on expected vessel delivery schedule as provided in Global Ship Lease's management estimates.

<sup>2</sup> Adjusted Asset Value for Global Ship Lease based on average appraised value of the 17 vessels as of December 31, 2007. Due to the lack of publicly available information for long-term container charters, Jefferies did not adjust Global Ship Lease's asset value for its charters. Jefferies then compared the implied transaction values against the consideration to be paid in the Merger and the related transactions, based on Marathon's liquidation value per share of \$7.88 as of February 29, 2008 (which was higher than trading value per share of \$7.74 as of March 14, 2008), or \$569.6 million, assuming ownership of 12 vessels upon the closing of the Merger, and \$1,005.1 million, assuming ownership of 17 vessels subsequent to the closing of both the Merger pursuant to the merger agreement and the purchase of the five additional vessels in the contracted fleet pursuant to the asset purchase agreement.

Although none of the selected comparable companies are identical to Global Ship Lease, Jefferies believes that Danaos Corporation and Seaspan Corporation are the most relevant comparable public companies because these companies (i) own and operate similar containership assets, (ii) focus on similar customers, although Danaos Corporation and Seaspan Corporation have more diverse customer bases, and (iii) derive their revenue from similar long-term time charters.

No company utilized in the Comparable Public Company Analysis is identical to Global Ship Lease. Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market and financial conditions; and other matters, many of which are beyond the control of Marathon and Global Ship Lease. Mathematical analysis of comparable public companies (such as determining means and medians) in isolation from other analyses is not an effective method of evaluating transactions.

**Table of Contents****Comparable Transaction Analysis**

Comparable Transaction Analysis is a method of valuing a business relative to recent mergers and acquisitions transactions involving similar businesses. Jefferies analyzed eleven transactions involving the acquisition of international shipping companies since December 13, 2004 with transaction values greater than \$100 million. Such transactions are summarized in the following table:

<b>Date Announced</b>	<b>Acquiror</b>	<b>Target</b>	<b>Target Fleet Type</b>
02/29/08	Excel Maritime Carriers Ltd.	Quintana Maritime Limited	Drybulk
10/12/07	PT Berlian Laju Tanker Tbk	Chembulk Tankers, LLC	Chemical
10/08/07	Kohlberg Kravis Roberts & Co.	UN Ro-Ro Management Inc.	Ro-Ro
08/17/07	Apollo Management, L.P.	NCL Corporation Ltd	Cruise
04/17/07	Teekay Shipping Corporation and A/S Dampskibsselskabet TORM	OMI Corporation	Crude oil /refined product
08/22/06	Eitzen Chemical ASA	Songa Shipholding AS	Chemical
09/05/05	CMA CGM S.A.	Delmas	Container
08/21/05	TUI Aktiengesellschaft	CP Ships Ltd.	Container
05/11/05	A.P. Møller - Mærsk A/S	Koninklijke P&O Nedlloyd NV	Container
02/10/05	International Shipping Enterprises, Inc.	Navios Corporation	Drybulk
12/13/04	Overseas Shipholding Group, Inc.	Stelmar Shipping Ltd.	Crude oil /refined product

Jefferies considered certain publicly available historic financial data relating to each transaction and calculated TEV (based on the implied transaction value) as a multiple of that target company's EBITDA for the last twelve-month period ( LTM ) prior to the announcement of the transaction. Jefferies then calculated a range of implied transaction values for Global Ship Lease by multiplying the most representative range within the comparable transaction multiples by Global Ship Lease's projected EBITDA, for the year ending December 31, 2009, which accounts for all 17 vessels in Global Ship Lease's fleet, based on Global Ship Lease management's estimates. The resulting range of implied enterprise values is set forth in the table below:

<b>Comparable Transaction</b>	<b>Company 2009E</b>	<b>Implied Enterprise</b>
<b>Multiple Range</b> 7.0x - 11.0x	<b>EBITDA (millions)</b> \$88.2	<b>Value Range (millions)</b> \$617 - \$970

Jefferies then compared the implied transaction value against the consideration to be paid in the Merger and the related transactions, based on Marathon's liquidation value per share of \$7.88 as of February 29, 2008 (which was higher than the trading value per share of \$7.74 as of March 14, 2008), or \$1,005.1 million.

The transactions utilized in the Comparable Transaction Analysis are not identical to the Merger and the related transactions. In evaluating the Merger and the related transactions, Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market and financial conditions; and other matters, many of which are beyond the control of Marathon and Global Ship Lease. Mathematical analysis of comparable transactions (such as determining means and medians) in isolation from other analyses is not an effective method of evaluating transactions.

**Discounted Cash Flow Analysis**

Discounted Cash Flow Analysis values a company as the sum of its unlevered (before financing costs) free cash flows over a forecast period and the company's terminal or residual value at the end of the forecast period. Jefferies examined the value of Global Ship Lease based on projected free cash flow estimates generated utilizing financial projections from January 1, 2008, to December 31, 2012, that were prepared and furnished to Jefferies by Marathon and Global Ship Lease management. Jefferies used the EBITDA Exit Multiple Method to determine a range of terminal values at December 31, 2012.

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For the EBITDA Exit Multiple Method, Jefferies ascribed EBITDA multiples, which ranged from 8.0x to 13.0x, to the projected EBITDA for the LTM ending December 31, 2012. Jefferies calculated a range of discount factors of 8.5% to 10.5% based on the Capital Asset Pricing Model using the weighted average cost of capital indicated by the comparable public companies listed in the Comparable Public Company Analysis section. Based on a range of EBITDA exit multiples reflecting the most representative range from the comparable public company analysis and the comparable transaction analysis (8.0x to 13.0x) and discount rates (8.5% to 10.5%), Jefferies calculated enterprise values ranging from \$757 million to \$1,119 million. Jefferies then compared the implied enterprise value against the consideration to be paid in the Merger and the related transactions, based on Marathon's liquidation value per share of \$7.88 as of February 29, 2008 (which was higher than the trading value per share of \$7.74 as of March 14, 2008), or \$1,005.1 million.

While Discounted Cash Flow Analysis is a widely accepted and practiced valuation methodology, it relies on a number of assumptions, including EBITDA multiples and discount rates. The valuation derived from the Discounted Cash Flow Analysis is not necessarily indicative of Global Ship Lease's present or future value or results. Mathematical analysis of discounted cash flows (including the EBITDA Exit Multiple Method) in isolation from other analyses is not an effective method of evaluating transactions.

**80% of Trust Account Assets Test**

Jefferies calculated that the fair market value of Global Ship Lease, assuming the closing of the Merger and the related transactions, is at least equal to 80% of the Trust Account Assets as outlined below (in millions):

<b>Marathon's Trusts Account Assets as of February 29, 2008</b>	
Minimum Cash Held in Trust, Restricted	\$ 314.9
Less: Deferred Underwriting Discounts and Commissions	(6.4)
<b>Trust Account Assets</b>	<b>\$ 308.5</b>
80% Test Requirement	80%
<b>80% of Trust Account Assets</b>	<b>\$ 246.8</b>

**Conclusion**

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. In arriving at the Opinion, Jefferies considered the results of all its analyses as a whole and did not attribute any particular weight to any analysis or factor considered by it. Furthermore, Jefferies believes that selecting any portion of its analysis, without considering all the analyses, would create an incomplete view of the process underlying the Opinion. In performing its analyses, Jefferies made judgments and assumptions with regard to industry performance; general business, economic, market and financial conditions; and other matters, many of which are beyond the control of Marathon and Global Ship Lease. The analyses performed by Jefferies are not necessarily indicative of actual value or actual future results, which may be significantly more or less favorable than suggested by such analyses. Jefferies did not recommend any specific consideration to Marathon's board of directors or that any specific consideration constituted the only appropriate consideration with respect to the merger agreement and the asset purchase agreement and the transactions contemplated thereby, including the Merger.

**Miscellaneous**

Jefferies may seek, in the future, to provide financial advisory and financing services to Marathon, Global Ship Lease, GSL Holdings or entities that are affiliated with such entities, for which Jefferies would expect to receive compensation.

Jefferies was engaged by Marathon in connection with the delivery of the Opinion and will receive a fee for its services, \$150,000 of which was payable upon the delivery of the Opinion and \$600,000 of which is payable upon the consummation of the Merger. In addition, Jefferies will provide certain other financial advisory services

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in connection with the Merger, for which Jefferies will receive an additional fee of \$1,000,000 payable upon the consummation of the Merger. Jefferies also will be reimbursed for expenses incurred. Marathon has agreed to indemnify Jefferies against liabilities arising out of or in connection with the services rendered and to be rendered by Jefferies under such engagement.

In the ordinary course of its business, Jefferies and its affiliates may trade or hold securities of Marathon for their own accounts and for the accounts of their customers and, accordingly, may at any time hold long or short positions in those securities.

### **Material U.S. Federal Income Tax Consequences of the Transaction**

It is a condition to consummation of the Merger that Marathon shall have received an opinion of Akin Gump Strauss Hauer & Feld LLP, special tax counsel to Marathon and GSL Holdings, to the effect that the Migratory Merger should qualify as a reorganization within the meaning of Section 368(a) of the Code, and that no gain or loss should be recognized on the exchange of the Marathon common stock held by the stockholders of Marathon for shares of GSL Holdings. In addition, assuming the Migratory Merger qualifies as a reorganization, (1) no gain or loss will be recognized as a result of the exchange of warrants of Marathon for warrants of GSL Holdings, (2) the federal tax basis of the warrants of GSL Holdings received by the holders of Marathon warrants in the Migratory Merger will be the same as the adjusted tax basis of the Marathon warrants surrendered in exchange therefor, and (3) the holding period of the warrants of GSL Holdings received in the Migratory Merger by the holders of Marathon warrants will include the period during which such Marathon warrants were held as capital assets on the date of the Migratory Merger.

Marathon believes that it will not incur any substantial amount of U.S. federal income tax as a result of the Migratory Merger. However, it is possible that Marathon could recognize U.S. federal income tax as a result of the Migratory Merger and such tax could be substantial. Any tax incurred by Marathon as a result of the Migratory Merger would become a liability of GSL Holdings.

See [Material U.S. Federal Income Tax Consequences Tax Consequences of the Migratory Merger](#) for a more comprehensive discussion of the tax aspects of the Merger.

**The opinions of tax counsel neither bind the IRS nor preclude the IRS or courts from adopting a contrary position. In addition, certain types of investors specifically referred to in [Material U.S. Federal Income Tax Consequences](#) may be subject to special rules for U.S. federal income tax purposes. The tax consequences to stockholders will depend on their own particular situation. Accordingly, Marathon investors may want to consult their tax advisors for a full understanding of the particular tax consequences to them in light of their particular circumstances.**

### **Anticipated Accounting Treatment**

The Merger will be accounted for using the purchase method of accounting, with Marathon being treated as the acquiring entity for accounting purposes. Marathon is required to record the acquired tangible and identifiable intangible assets and assumed liabilities ( net acquired assets ) of Global Ship Lease at fair value. The acquisition will result in an excess of the fair value of net acquired assets over the fair value of the consideration to be given for the acquisition. This excess has been allocated pro rata to identified intangible assets, vessels in operation and other fixed assets. The assets of Marathon will continue to be reported at historical cost. Results of operations of Global Ship Lease will be included with Marathon from the date of acquisition.

### **Regulatory Approvals**

Marathon and GSL Holdings do not expect that the Merger will be subject to any state or federal regulatory requirements other than filings under applicable securities laws and the effectiveness of the registration statement of Global Ship Lease of which this joint proxy statement/prospectus is part, and the filing of certain merger documents with the Registrar of Corporations of the Republic of the Marshall Islands and with the Secretary of State of the State of Delaware. Marathon and Global Ship Lease intend to comply with all such requirements. The parties have determined that a filing under the Hart Scott Rodino Antitrust Improvements Act is not required for the consummation of the Merger and related transactions.

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**THE MERGER AGREEMENT**

The following summary of the material provisions of the merger agreement is qualified by reference to the complete text of the merger agreement, a copy of which is attached as Appendix A to this joint proxy statement/prospectus. You are encouraged to read the merger agreement in its entirety for a more complete description of the terms and conditions of the Merger.

**Transaction Structure and Consideration**

On March 21, 2008, Marathon, GSL Holdings, CMA CGM and Global Ship Lease entered into an agreement and plan of merger pursuant to which Marathon will merge with and into GSL Holdings, and, immediately thereafter, Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company (such mergers collectively, the Merger).

As a result of the Merger, each holder of a share of Marathon common stock will receive one Class A common share of GSL Holdings, except that Marathon Founders, LLC and other initial stockholders of Marathon common stock will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares; and CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. Please see Description of Securities for a description of the terms of the classes of common shares of GSL Holdings.

**Directors and Officers**

Pursuant to the merger agreement, Marathon will identify the members of the board of directors of GSL Holdings to be appointed as of the effective time of the Merger. The officers of GSL Holdings will be the officers of Global Ship Lease who held such positions immediately prior to the effective time of the Merger.

**Representations and Warranties**

The merger agreement contains the following representations relating to Global Ship Lease:

due organization and qualification;

subsidiaries;

capital structure;

authorization of transaction;

no conflict and required filings and consents;

compliance with law;

financial statements;

no undisclosed liabilities;

absence of certain changes or events (including absence of a Material Adverse Effect );

litigation;

company benefit plans;

labor matters;

vessels and other personal property;

taxes;

environmental matters;

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brokers' fees and third party expenses;

agreements, contracts and commitments;

insurance;

governmental actions and filings; and

related party transactions.

The merger agreement contains the following representations relating to CMA CGM:

due organization and qualification;

authorization of transaction;

no conflict and required filings and consents;

related party transactions;

governmental actions and filings; and

investment.

The merger agreement contains the following representations relating to Marathon and GSL Holdings:

due organization and qualification;

subsidiaries;

capital structure;

authorization of transaction;

no conflict and required filings and consents;

compliance with law;

SEC filings and financial statements;

taxes;

no undisclosed liabilities;

absence of certain changes or events (including absence of a Material Adverse Effect );

litigation;

employee benefit plans;

labor matters;

property;

brokers fees;

agreements, contracts and commitments;

insurance;

indebtedness;

AMEX quotation;

board approval;

trust fund; and

governmental filings.



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The representations and warranties do not survive the closing.

The representations and warranties set forth in the merger agreement are made by and to Global Ship Lease, CMA CGM, Marathon and GSL Holdings as of specific dates. The statements embodied in those representations and warranties were made for purposes of the merger agreement between the parties and are subject to qualifications and limitations agreed by the parties in connection with negotiating the terms of that contract, may or may not be accurate as of the date they were made, and do not purport to be accurate as of the date of this joint proxy statement/prospectus.

### **Materiality and Material Adverse Effect**

Some of the representations and warranties are qualified by materiality and material adverse effect qualifications. The definition of material adverse effect is any change, event, circumstance or effect that, individually or in the aggregate with all other changes, events, circumstances or effects, would either (a) have a material adverse effect on (i) the business, properties (including the vessels), financial condition, or results of operations of such entity (or, in the case of Global Ship Lease, its predecessor) and its subsidiaries taken as a whole, (ii) the validity of the merger agreement or any transaction agreement or (iii) the ability of any party to perform under the merger agreement or any transaction agreement, or (b) prevent or materially interfere with the consummation of the transactions contemplated by the merger agreement or any transaction agreement, provided that none of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (1) general business, economic or industry conditions, (2) national or international political or social conditions, including the engagement by the United States or the United Kingdom in hostilities, whether or not pursuant to the declaration of a national emergency or war, (3) changes in U.S. GAAP, (4) changes in laws, or (5) the taking of any action required by the merger agreement or any transaction agreement. For purposes of determining the amount of material adversity, provisions (1) through (4) are qualified to the extent such change, event, circumstance or effect has a disproportionate adverse effect on the entity as compared to other persons engaged in the same industry.

### **Interim Covenants Relating to Conduct of Business**

During the period from March 21, 2008 until the earlier of the closing date or termination of the merger agreement, each of Global Ship Lease and Marathon will, and will cause its respective subsidiaries to, carry on its business in the usual, regular and ordinary course and use commercially reasonable efforts to (i) preserve its present business organization, (ii) keep its present officers and key employees, (iii) keep its material insurance policies and (iv) preserve its relationships with significant customers, suppliers, distributors, licensors, licensees and others with which they have significant business dealings. In addition, subject to certain exceptions, Global Ship Lease and Marathon have each agreed that it will not, and will not allow its subsidiaries to:

declare, set aside or pay any dividends on or make any other distributions in respect of any capital stock or split, combine or reclassify any capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock;

purchase, redeem or otherwise acquire, directly or indirectly, any shares of capital stock;

issue, deliver, sell, authorize, pledge or otherwise encumber, or agree to any of the foregoing with respect to, any shares of capital stock or any securities convertible into or exchangeable for shares of capital stock, or subscriptions, rights, warrants or options to acquire any shares of capital stock or any securities convertible into or exchangeable for shares of capital stock, or enter into other agreements or commitments of any character obligating it to issue any such shares or convertible or exchangeable securities;

amend its organizational documents, except to the extent required to comply with its obligations hereunder or applicable law;

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acquire or agree to acquire by merging or consolidating with, or by purchasing any equity interest in or a portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any vessels or any material assets, or enter into any joint ventures, strategic partnerships or alliances or other arrangements that provide for exclusivity of territory or otherwise restrict such party's ability to compete or to offer or sell any products or services;

sell, lease, license, charter, encumber or otherwise dispose of any vessels or other properties or assets, except the chartering of vessels to CMA CGM in the ordinary course of business;

incur any additional indebtedness or guarantee any indebtedness, issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities, enter into any "keep well" or other agreements to maintain any financial statement condition or enter into any arrangement having the economic effect of any of the foregoing;

adopt or amend any employee benefit plan, policy or arrangement, any employee stock purchase or employee stock option plan, or enter into any employment contract or collective bargaining agreement (other than offer letters and letter agreements entered into by Global Ship Lease or any of its subsidiaries in the ordinary course of business with employees who are terminable "at will"), pay any special bonus or special remuneration to any director or employee, or increase the salaries or wage rates or fringe benefits (including rights to severance or indemnification) of its directors, officers, employees or consultants, except, in the case of Global Ship Lease and its subsidiaries only, in the ordinary course of business and only to the extent required to comply with applicable law;

grant any severance or termination pay to any officer or employee except pursuant to applicable law, or adopt any new severance plan, agreement or arrangement, or amend or modify or alter in any manner any severance plan, agreement or arrangement existing on March 21, 2008;

except in the ordinary course of business, pay, discharge, settle or satisfy any claims, liabilities or obligations, or litigation (whether or not commenced prior to the date of the merger agreement) other than the payment, discharge, settlement or satisfaction, in monetary settlements only that do not exceed \$300,000 for any individual claim, liability or obligation and \$1,000,000 in the aggregate, or in accordance with their terms, or liabilities recognized or disclosed in the financial statements, or waive the benefits of, agree to modify in any manner, terminate, release any person from or knowingly fail to enforce any confidentiality or similar agreement;

modify, amend or terminate any material contract, or waive, delay the exercise of, release or assign any material rights or claims thereunder, in each case outside the ordinary course of business;

except as required by U.S. GAAP, revalue any of its assets or make any change in accounting methods, principles or practices;

incur or enter into any material agreement, contract or commitment outside the ordinary course of business;

depart from any normal drydock and maintenance practices or discontinue replacement of spares in operating any vessel;

defer any scheduled maintenance on any vessel;

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settle any claim or litigation to which a related party is a party or where the consideration given by Global Ship Lease is other than monetary;

make or rescind any material tax elections, settle or compromise any material income tax liability, agree to all extension or waiver of the statute of limitations with respect to the assessment or determination of taxes, surrender any right to claim a refund, or, except as required by applicable law, materially change any method of accounting for tax purposes or prepare or file any tax return in a manner inconsistent with past practice;

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make capital expenditures except in accordance with prudent business and operational practices consistent with prior practice;

enter into any transaction with or distribute or advance any assets or property to any of its officers, directors, stockholders or other affiliates other than the payment of salary and benefits in the ordinary course of business; or

agree in writing or otherwise agree, commit or resolve to take any of the prohibited actions described above.

### **Other Covenants**

*Exclusivity.* From March 21, 2008 until the termination of the merger agreement or the closing of the Merger, neither Marathon, GSL Holdings, CMA CGM, Global Ship Lease nor any of its subsidiaries shall, and each party shall use its commercially reasonable best efforts to cause each of their respective representatives not to, directly or indirectly, encourage, solicit, initiate, engage or participate in negotiations with a third party concerning any merger or other business combination or sale or lease of any of its capital stock or a material portion of its assets or take any other action intended or designed to facilitate the efforts of any person relating to a possible acquisition transaction. In the event that an unsolicited proposal or indication of interest in any such potential transaction is communicated in writing to Marathon, Global Ship Lease, any of Global Ship Lease's subsidiaries, or any of their representatives or agents, such party shall notify the other parties orally and in writing no later than one business day after receipt. Each party shall keep the other parties informed as to the material terms and conditions of the proposal, the identity of the person making the proposal and the developments with respect to that proposal.

*Proxy Statement/Prospectus.* The parties have agreed that:

Marathon and Global Ship Lease will jointly prepare and Marathon will file a proxy statement of Marathon and a registration statement of GSL Holdings with the SEC as promptly as practicable;

as soon as practicable and no later than 10 business days after March 21, 2008, Global Ship Lease and Marathon will deliver to each other certain requested information for the preparation of the proxy statement/prospectus, and the parties will thereafter provide requested information and comments to each other on an ongoing basis;

each party will notify the other parties promptly upon the receipt of any comments from the SEC and of any request by the SEC for amendments to the proxy statement/prospectus and will supply the other party with copies of all correspondence between such party and the SEC with respect to the proxy statement/prospectus;

whenever any event occurs which is required to be set forth in an amendment or supplement to the proxy statement/prospectus, the discovering party will promptly inform the other parties of such occurrence and cooperate in filing with the SEC and/or informing the stockholders of Marathon, such amendment or supplement;

as soon as practicable following its approval by the SEC, Marathon will distribute the proxy statement/prospectus to its stockholders and warrant holders, and will call the Marathon stockholders' meeting and solicit proxies and consents from such holders to vote in favor of the adoption and approval of the proposals contained in the proxy statement/prospectus; and

Marathon, acting through its board of directors, will include in the proxy statement/prospectus the recommendation of its board of directors that Marathon's stockholders vote in favor of the adoption of the merger agreement.

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*Publicity.* The parties have agreed that until either the date of closing or the termination of the merger agreement:

neither CMA CGM, Global Ship Lease nor any of their affiliates will make any press releases, public announcements, or communications with third parties pertaining to the merger agreement or the transactions contemplated therein (aside from communications with customers, lenders or other sources of capital, joint venture partners, advisors, suppliers, distributors, licensors, licensees and other third parties with which it has significant business dealings that is limited to information contained in the proxy statement/prospectus, or as required by law) without the prior consent of Marathon, which will not be unreasonably withheld or delayed; and

Marathon and GSL Holdings may make public disclosures so long as they comply with law and do not disclose confidential information. If any such written public disclosures include the name of CMA CGM, Global Ship Lease or their management teams, or contain information about any of these parties that was substantially different than the proxy statement/prospectus or prior public disclosures, then Marathon will provide advance copies of the proposed disclosure to CMA CGM, Global Ship Lease and their advisors and will incorporate any changes that they may reasonably request.

*Access; Inspection.* Each party has agreed to afford the officers, directors, employees, auditors and other agents and advisors of the other parties and their financing sources reasonable access during normal business hours to its property, personnel, and books and records as those parties may reasonably request. In addition, Global Ship Lease has agreed to provide copies of its consolidated financial statements to Marathon within thirty days following the end of any calendar month and forty-five days following the end of any calendar quarter. Global Ship Lease has also agreed to cause its subsidiaries to permit Marathon and its representatives to physically inspect the vessels during the period prior to the closing date, although CMA CGM and Global Ship Lease will not be obligated to repair any breach related to the vessels that is discovered during such inspection unless such obligation is required under the asset purchase agreement.

*Commercially Reasonable Efforts.* Each of the parties has agreed to use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done and to assist and cooperate with the other parties in doing all things necessary, proper or advisable under applicable laws to consummate and make effective the contemplated transactions in the most expeditious manner practicable.

*No Claim Against Trust Fund.* CMA CGM and Global Ship Lease and their affiliates have agreed to waive all claims they have or may have in the future against Marathon's trust fund.

*Directors and Officers Indemnification and Insurance.* The parties have agreed that:

all rights to indemnification for acts or omissions occurring through the closing date existing at the time the merger agreement was executed of the current officers and directors of Marathon, Global Ship Lease or GSL Holdings shall survive the Merger and continue in full force and effect in accordance with their terms; and

for six years after the closing date, GSL Holdings (or its successors or assigns) shall maintain Marathon and Global Ship Lease's current policies of directors and officers liability insurance (or policies of at least the same coverage and amounts at no less advantageous terms) with respect to claims arising from facts and events that occurred prior to the closing date, provided that in no event will GSL Holdings be required to expend in any one year more than 300% of the aggregate annual premiums currently paid by each of Marathon and Global Ship Lease.

*Trust Fund Disbursement.* At closing, Marathon will cause its trust fund to disburse to Marathon and CMA CGM an amount not less than \$314,870,000 plus interest, less the deferred underwriting fees, payments to converting stockholders and tax liabilities. The total disbursement will not be less than \$240 million.

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*Termination of Related Party Arrangements.* Other than agreements to be entered into or to remain in effect pursuant to the merger agreement, GSL Holdings and each of its subsidiaries will be automatically released from all related party arrangements of Global Ship Lease upon the Merger (including the shareholder loan provided by CMA CGM).

*Non-Solicitation; Confidentiality.* The parties have agreed that, for a period of one year after the closing date, they will not solicit, make an offer or hire any employee of the other parties. The parties also agree to keep all confidential and proprietary information, know-how, technical information and trade secrets confidential and not use such information for their own purposes or advantages unless the information becomes public knowledge through no breach by the other party, it is independently developed, or its disclosure is required by law.

*Payment of Certain Fees.* Certain fees, costs and expenses (including legal fees, accounting fees and investment banking fees) that have been incurred or that are incurred by or on behalf of the parties in connection with the Merger will be paid by Global Ship Lease.

*Internal Controls.* At the effective time of the Merger, Global Ship Lease and its subsidiaries will have systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepting accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's authorization and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

*Tax Treatment.* The parties intend to obtain the opinion of Akin, Gump, Strauss, Hauer & Feld LLP, tax counsel to Marathon, to the effect that (i) the merger of Marathon into GSL Holdings should qualify as a reorganization within the meaning of the Code, (ii) no gain should be recognized by the shareholders of Marathon in the merger of Marathon into GSL Holdings and (iii) GSL Holdings should not be treated as a U.S. corporation under the Code. Marathon, GSL Holdings and CMA CGM will provide representation letters to Akin, Gump, Strauss, Hauer & Feld LLP. In addition, each party to the merger agreement has agreed to, and to cause their respective affiliates to, take any action and not fail to take any action that would be reasonably likely to prevent the tax opinions from being delivered.

*Marathon Securities.* Prior to the closing of the Merger, CMA CGM and its affiliates will not acquire beneficial ownership of any equity securities of Marathon, including its common stock and warrants.

**Conditions to Closing**

The parties' respective obligations to consummate the Merger are subject to closing conditions including:

Marathon will have obtained the approval of its stockholders and warrant holders with respect to the Merger, and holders of 20% or more of Marathon's common stock will not have exercised the right to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the trust fund;

all applicable waiting periods under the HSR Act will have expired or been terminated;

no statute, rule, regulation, injunction or order of any governmental entity which prohibits the consummation of the transaction is in effect; and

Marathon and GSL Holdings will have received certain tax opinions from Akin, Gump, Strauss, Hauer & Feld LLP.

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The obligations of Global Ship Lease and CMA CGM to consummate the transaction are subject to closing conditions including:

the representations and warranties of Marathon and GSL Holdings that are qualified by Material Adverse Effect will be true and correct on the closing date, and those that are not qualified as to Material Adverse Effect will be true and correct in all material respects on the closing date;

Marathon and GSL Holdings shall have performed or complied in all material respects with all agreements and covenants required by the merger agreement to be performed or complied with by them at or prior to the closing;

Marathon shall have made arrangements satisfactory to Global Ship Lease and CMA CGM to insure that the trust fund contains no less than the agreed minimum disbursement amount and makes the required disbursements upon closing;

no Material Adverse Effect with respect to Marathon or GSL Holdings shall have occurred since March 21, 2008; and

Marathon Founders, LLC shall have executed and delivered the stockholders agreement.

The obligations of Marathon and GSL Holdings to consummate the transaction are subject to closing conditions including:

the representations and warranties of Global Ship Lease and CMA CGM that are qualified by Material Adverse Effect will be true and correct on the closing date, and those that are not qualified as to Material Adverse Effect will be true and correct in all material respects on the closing date;

Global Ship Lease and CMA CGM shall have performed or complied in all material respects with all agreements and covenants required by the merger agreement to be performed or complied with by them on or prior to the closing;

No Material Adverse Effect with respect to Global Ship Lease shall have occurred since March 21, 2008;

Global Ship Lease's credit facility shall be in full force and effect; and

Global Ship Lease and its subsidiaries and CMA CGM or their affiliates, as applicable, shall have executed and delivered the transaction agreements required to be entered into pursuant to the merger agreement.

**Termination**

The merger agreement may be terminated at any time prior to the closing:

by mutual written consent of Marathon and CMA CGM;

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by either Marathon or CMA CGM if the transaction has not been consummated by August 31, 2008, however, the right to terminate the merger agreement will not be available to either party if the failure of such party to fulfill any obligation under the merger agreement will have been the principal cause of, or will have resulted in, the failure of the closing to occur on or prior to such date;

by either Marathon, CMA CGM, or Global Ship Lease if a governmental entity shall have issued a final and non-appealable order, decree, judgment or ruling or taken any other action that has the effect of permanently restraining, enjoining or otherwise prohibiting the Merger;

by Global Ship Lease or CMA CGM, if Marathon or GSL Holdings materially breaches any representation, warranty, covenant or agreement or if any representation or warranty of Marathon has become untrue, in either case such that the conditions to the transaction would not be satisfied (subject to cure provisions);



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by CMA CGM or Global Ship Lease, if Marathon's board of directors or management has withdrawn or changed its recommendation to the Marathon stockholders regarding the Merger;

by Marathon, if Global Ship Lease or CMA CGM materially breaches any representation, warranty, covenant or agreement or if any representation or warranty of Global Ship Lease or CMA CGM has become untrue, in either case such that the conditions to the transaction would not be satisfied (subject to cure provisions); or

by either Marathon, Global Ship Lease or CMA CGM if Marathon fails to obtain stockholder and warrant holder approval with respect to the Merger, or if holders of 20% or more of Marathon's common stock exercise the right to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the trust fund.

Upon termination, the merger agreement will become null and void and have no effect, except for certain specified provisions and except that such termination will not relieve any party of any liability for willful breach of the merger agreement.

**Governing Law**

The merger agreement is governed by and interpreted and enforced in accordance with the laws of the State of New York.

Judicial proceedings brought against the parties arising out of or relating to the merger agreement, or any obligations hereunder, will be brought in the Court of Chancery in the State of Delaware (or if that court does not have subject matter jurisdiction over such proceeding, then it will be brought in the U.S. District Court for the District of Delaware).

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### **OTHER TRANSACTION AGREEMENTS**

The following is a summary of the material terms of other transaction agreements that the parties to the merger agreement or their affiliates will enter into immediately prior to or as of the effective time of the Merger. For more information, you should read each such transaction agreement filed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part. You can also obtain copies of these agreements by following the instructions under [Where You Can Find Additional Information](#).

#### **Asset Purchase Agreement**

Immediately prior to the Merger, Global Ship Lease will enter into an amendment and restatement of the asset purchase agreement with CMA CGM and certain of its vessel-owning subsidiaries pursuant to which Global Ship Lease will purchase five additional vessels from CMA CGM with expected deliveries in December 2008 and July 2009 for an aggregate purchase price of \$437 million, of which \$99 million will be deemed to be prepaid by the consideration paid to CMA CGM in the Merger. Please see [Acquisition of Initial and Contracted Fleet of Global Ship Lease Asset Purchase Agreement](#) for more information about this agreement.

#### **Amended and Restated Charter Agreements**

Immediately prior to the Merger, the applicable subsidiaries of Global Ship Lease will enter into amended and restated charter agreements with CMA CGM pursuant to which CMA CGM will charter the Global Ship Lease vessels. The terms of the amended and restated agreements are substantially the same as the current agreements and will reflect an increase in the charter rates for eight vessels of the initial fleet as of April 1, 2008. The charter agreements to be entered into at the time of delivery of the vessels in the contracted fleet will also reflect an increase in the charter rates as initially contemplated by CMA CGM and Global Ship Lease. The aggregate amount of the increased charter rates will be \$3.6 million per year. Please see [Global Ship Lease Business Time Charters](#) for more information about these agreements.

#### **Amended and Restated Ship Management Agreements**

Immediately prior to the Merger, the applicable subsidiaries of Global Ship Lease will enter into amended and restated ship management agreements with CMA Ships, a wholly owned subsidiary of CMA CGM, pursuant to which CMA Ships will provide a variety of ship management services, including purchasing, crewing, vessel maintenance including arranging drydocking inspections and ensuring compliance with flag, class and other statutory requirements necessary to support Global Ship Lease's business. The terms of the amended and restated agreements are substantially the same as those in the current agreements. Please see [Ship Manager and Management Related Agreements of Global Ship Lease Ship Management Agreements](#) for more information about these agreements.

#### **Amended and Restated Guarantees**

Immediately prior to the Merger, Global Ship Lease and CMA CGM will enter into amended and restated guarantees under which each will guarantee the obligations of each of its subsidiaries, as applicable, under the charter agreements and ship management agreements. Please see [Global Ship Lease Business Time Charters](#) and [Ship Manager and Management Related Agreements of Global Ship Lease Ship Management Agreements](#).

#### **Amended and Restated Global Expense Agreement**

Immediately prior to the Merger, Global Ship Lease will enter into an amended and restated global expense agreement with CMA CGM pursuant to which Global Ship Lease will reimburse the ship managers for operating expenses incurred under the ship management agreements. The terms of the amended and restated agreement are substantially the same as those in the current agreement. Please see [Ship Manager and Management Related Agreements of Global Ship Lease Ship Global Expense Agreement](#) for more information about this agreement.

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### **Transitional Services Agreement**

Immediately prior to the Merger, Global Ship Lease will enter into a transitional services agreement with CMA CGM pursuant to which CMA CGM will provide general administrative and support services to Global Ship Lease upon its request. Please see Global Ship Lease Business Transitional Services Agreement for more information about this agreement.

### **Stockholders Agreement**

GSL Holdings will enter into a stockholders agreement with CMA CGM and Marathon Founders, LLC, pursuant to which such shareholders will agree not to transfer any common shares of GSL Holdings (excluding common shares underlying the sponsor warrants or received with respect to Marathon securities purchased after Marathon's initial public offering) prior to the first anniversary of the date of the Merger other than to affiliates or to the members of Marathon Founders, LLC who agree to be subject to such transfer restrictions. Notwithstanding the foregoing, CMA CGM will be permitted to transfer (i) up to 4,094,600 Class A common shares after the date that is 120 days after the date of the Merger, (ii) Class A common shares to the extent necessary for CMA CGM to satisfy its obligation to return any prepaid amounts pursuant to the asset purchase agreement on or after March 31, 2009, and (iii) up to 125,000 common shares to its directors and employees.

In addition, for a period of five years from the date of the Merger, CMA CGM will agree not to:

acquire additional common shares or other equity securities of GSL Holdings;

make any tender offer or exchange offer for any common shares or other equity securities of GSL Holdings;

make, or take any action to solicit, initiate or encourage, any offer or proposal for, or any indication of interest in, a merger, other business combination or other extraordinary transaction involving GSL Holdings or any of its subsidiaries, or the acquisition of any common shares or other equity interest in, or a substantial portion of the assets of, GSL Holdings or any of its subsidiaries;

propose any changes to the size or members of the board of directors of GSL Holdings

solicit, or become a participant in any solicitation of, any proxy from any holder of common shares in connection with any vote on the matters described in the two preceding bullet points above, or agree or announce its intention to vote with any person undertaking a solicitation or grant any proxies with respect to any common shares to any person with respect to such matters, or deposit any common shares in a voting trust or enter into any other arrangement or agreement with respect to the voting thereof; or

form, join or in any way participate in a group (within the meaning of the Exchange Act) with respect to any common shares of GSL Holdings.

These standstill restrictions will be temporarily released (i) in the event GSL Holdings or its shareholders receive an unsolicited third party tender offer or exchange offer to acquire at least a majority of the outstanding common shares or there is a public announcement of a proposal or offer, or commencement of a proxy contest, to effect a change of control of GSL Holdings, until such time as the board of directors of GSL Holdings notifies CMA CGM that in the good faith determination of the board of directors such offer or proposal or proxy contest has concluded or been withdrawn, and (ii) to allow CMA CGM to respond to any vote, offer or other transaction involving a tender offer or exchange offer or a merger, business combination, sale of a substantial portion of assets or other extraordinary transaction that has been approved by the board of directors and/or for which the board of directors has granted its recommendation. GSL Holdings agrees to include such standstill exceptions in any shareholder rights plan it may adopt.

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**Registration Rights Agreement**

GSL Holdings will enter into a registration rights agreement with CMA CGM, Marathon Investors, LLC, Marathon Founders, LLC and the other initial stockholders of Marathon common stock (including Michael Gross), pursuant to which GSL Holdings will agree to register for resale on a registration statement under the Securities Act of 1933, as amended, and applicable state securities laws, the common shares to be issued to such shareholders pursuant to the Merger or upon exercise of warrants. CMA CGM will have the right to demand up to three registrations and the Marathon initial stockholders will have the right to demand up to two registrations. These shareholders will also have the right to request that GSL Holdings file a shelf registration statement with respect to their common shares as soon as the applicable transfer restrictions under the stockholders agreement expire. In addition, these shareholders will also have piggyback registration rights allowing them to participate in offerings by GSL Holdings and in demand registrations of the other shareholders. GSL Holdings will be obligated to pay all expenses incidental to the registration, excluding underwriter discounts and commissions.

**Table of Contents****THE CERTIFICATE AMENDMENT PROPOSAL****General Description of the Certificate Amendment**

The Certificate Amendment Proposal, if approved by Marathon stockholders, would clarify that the business combination contemplated by Marathon's certificate of incorporation includes the Merger and the transactions to be consummated pursuant to the merger agreement by amending the definition of business combination to include (i) the merger of Marathon with and into another entity and (ii) a merger of Marathon into or with a non-U.S. entity and the subsequent business combination with another entity. If the Certificate Amendment Proposal is not approved by Marathon stockholders, it is not certain that the Merger would constitute a business combination as currently defined in the certificate of incorporation. Consummation of the Merger is conditioned on the approval of the Certificate Amendment Proposal, among other conditions.

In the prospectus included in the registration statement Marathon filed in connection with its initial public offering (File No. 333-134078), Marathon stated that it was formed to acquire one or more operating businesses through a merger, stock exchange, asset acquisition, reorganization or similar business combination. The prospectus and the certificate of incorporation refer to this transaction as a business combination, which is defined in Article Fifth of the certificate of incorporation as the acquisition by the Corporation, whether by merger, capital stock exchange, asset or stock acquisition, reorganization or other similar type of transaction or a combination of any of the foregoing, of one or more operating businesses.

While both Marathon's certificate of incorporation and Marathon's prospectus disclosure contemplate a variety of methodologies for consummating the business combination, Marathon's certificate of incorporation is ambiguous as to whether a merger in which Marathon does not acquire another business and/or is not the surviving entity would qualify as a business combination. In order to clarify the meaning of business combination in this context, Marathon proposes to amend Article Fifth of the certificate of incorporation as follows:

FIFTH: Paragraphs A through J set forth below shall apply during the period commencing upon the consummation of the Corporation's IPO (as defined below) and terminating upon the consummation of any Business Combination (as defined below), and may not be amended after the consummation of the Corporation's IPO (as defined below) without the unanimous approval of the Corporation's stockholders prior to the consummation of any Business Combination. A **Business Combination** shall mean ~~the acquisition by the Corporation, whether by effecting of a merger, capital stock exchange, asset or stock acquisition, stock purchase, reorganization or other similar type of transaction or a business combination of any of~~ involving the foregoing, of Corporation and one or more operating businesses (collectively, the **Target Business**) having, collectively, a fair market value (as calculated in accordance with the requirements set forth below) of at least 80% of the amount in the Trust Account (as defined below) (after excluding from such amount any amount that is or will be due and payable as deferred underwriting discounts and commissions (the **Deferred Underwriting Compensation**) pursuant to the terms and conditions of the underwriting agreement (the **Underwriting Agreement**) to be entered into in connection with the Corporation's initial public offering (the **IPO**) of its Common Stock (such shares of Common Stock issued in connection with the IPO, the **IPO Shares**)) at the time of such acquisition; *provided*, that any acquisition of multiple operating businesses shall occur contemporaneously with one another. **Trust Account** shall mean the trust account established by the Corporation in connection with the consummation of its IPO and into which the Corporation will deposit a designated portion of the net proceeds from the IPO, including any Deferred Underwriting Compensation, and certain other amounts. For purposes of this Article Fifth, fair market value shall be determined by the Board of Directors of the Corporation based upon financial standards generally accepted by the financial community, such as actual and potential sales, earnings, cash flow and book value. If the Board of Directors of the Corporation is not able to independently determine the fair market value of the Target Business, the Corporation shall obtain an opinion with regard to such fair market value from an unaffiliated, independent investment banking firm that is a member of the National Association of Securities Dealers, Inc. The Corporation is not required to obtain an opinion from

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an investment banking firm as to fair market value of the Target Business if the Corporation's Board of Directors independently determines the fair market value for such Target Business. For the avoidance of doubt, a Business Combination could include a merger of the Corporation into or with a non-U.S. entity and the subsequent Business Combination with another entity by merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar transaction.

For the reasons described above, Marathon's board of directors believes the proposed amendment is clarifying only. As such, it does not effect a change in the underlying nature of the acquisitions that would qualify as business combinations as set forth in Marathon's initial public offering prospectus and it does not change the original purpose or intent of the business combination provisions contained in Marathon's certificate of incorporation.

### **Recommendation of Marathon's Board of Directors**

In the judgment of Marathon's board of directors, the adoption of the Certificate Amendment Proposal is desirable because it would eliminate an ambiguity in Marathon's certificate of incorporation as applied to the Merger, by amending the certificate of incorporation to provide expressly for a transaction structure that has been contemplated by Marathon since its inception as one of the possible methodologies for effecting a business combination. On the basis of the foregoing, Marathon's board of directors has approved and declared advisable the Certificate Amendment Proposal and recommends that you vote or give instructions to vote **FOR** the adoption of the Certificate Amendment Proposal.

**The board of directors recommends a vote **FOR** adoption of the Certificate Amendment Proposal.**

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**THE ADJOURNMENT PROPOSAL**

In the event there are not sufficient votes for, or otherwise in connection with, the adoption of the Merger Proposal and the transactions contemplated thereby, or the Certificate Amendment Proposal, the Marathon board of directors may adjourn the special meeting to a later date, or dates, if necessary, to permit further solicitation of proxies. In no event will Marathon seek adjournment which would result in soliciting of proxies, having a stockholder vote, or otherwise consummating a business combination after August 30, 2008.

**The board of directors recommends a vote FOR adoption of the Adjournment Proposal.**

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**CONSENT SOLICITATION**

**General**

In connection with the Merger, Marathon is soliciting consents from holders of its warrants upon the terms and subject to the conditions set forth in this joint proxy statement/prospectus, in the accompanying Consent Letter and in the warrant agreement.

Consents may not be revoked at any time after the earlier of (1) 5:00 p.m. New York City time, on August 1, 2008 (the Expiration Time ), as it may be extended by Marathon, and (2) the time and date on which Marathon receives consents from holders in respect of least a majority of the currently issued and outstanding warrants (the Requisite Consents ) (such earlier time and date, the Consent Date ). The proposed amendment will be effected by the Third Supplemental Warrant Agreement, which is to be executed by Marathon and the Warrant Agent on the Consent Date or as soon as practicable thereafter.

Following execution of the Third Supplemental Warrant Agreement, all current warrant holders, including non-consenting warrant holders, and all subsequent warrant holders, will be bound by the proposed warrant amendment. If the Consent Solicitation is terminated for any reason before the Expiration Time, any consents received by the Tabulation Agent will be voided and the Third Supplemental Warrant Agreement will not be executed.

Regardless of whether the proposed warrant amendment become operative, the warrants will continue to be outstanding in accordance with all other terms of the warrant agreement. The changes included in the proposed warrant amendment will not alter the other terms of the warrant agreement and the warrant.

**Purpose and Description of the Proposed Amendment to the Warrant Agreement**

Marathon is conducting this Consent Solicitation to obtain the consent of holders of the warrants to an amendment to the warrant agreement that would clarify that the business combination contemplated by the warrant agreement includes the Merger and the transactions to be consummated pursuant to the merger agreement (1) by amending the definition of business combination to include (A) the merger of Marathon with and into another entity and (B) a merger of Marathon into or with a non-U.S. entity and the subsequent business combination with another entity and (2) by making a conforming change to the merger provision to include a merger of Marathon into or with a non-U.S. entity. If the requisite number of consents are not received from the warrant holders, the Merger as currently contemplated pursuant to the merger agreement would not be permitted under the warrant agreement. Consummation of the Merger is conditioned on the receipt of the requisite number of consents in the Consent Solicitation, among other conditions.

Adoption of the proposed warrant amendment would amend the third paragraph of Section 2.02 and the entire Section 6.02 of the warrant agreement as follows:

[Third paragraph of SECTION 2.02] As used herein, the term Business Combination shall mean ~~the acquisition by the Company, whether by effecting of a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar type of business combination, of involving the Company and~~ one or more operating businesses having, collectively, a fair market value (as calculated in accordance with the Company's Amended and Restated Certificate of Incorporation) of at least 80% of ~~the balance amount~~ in the Trust Account (as defined in the Company's Amended and restated Certificate of Incorporation (excluding from such balance any amount that is or will be due and payable as deferred underwriting discounts and commissions pursuant to the terms of the Underwriting Agreement)) at the time of such acquisition. For the avoidance of doubt, a Business Combination could include a merger of the Company into or with a non-U.S. entity and the subsequent Business Combination with another entity by merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar transaction.



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SECTION 6.02. ~~Merger, Consolidation, Sale, Transfer or Conveyance.~~ The Company may consolidate or merge with or into any other corporation or sell, lease, transfer or convey all or substantially all of its assets to any other corporation; provided, that (i) either (x) the Company is the continuing corporation or (y) the corporation or entity (if other than the Company) that is formed by or results from any such consolidation or merger or that receives such assets ~~is a corporation organized and existing under the laws of the United States of America or a state thereof and such corporation~~ assumes the obligations of the Company (the Successor Entity ) with respect to the performance and observance of all of the covenants and conditions of this Agreement to be performed or observed by the Company and (ii) the Company or such ~~successor corporation~~ Successor Entity, as the case may be, must not immediately be in default under this Agreement. For the avoidance of doubt, the Successor Entity can result from the company merging into a non-U.S. entity which merges into another non-U.S. corporation and effects a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more operating businesses. If at any time there shall be any consolidation or merger or any sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Company, then in any such event the ~~successor or assuming corporation~~ Successor Entity shall succeed to and be substituted for the Company, with the same effect as if it had been named herein and in the Warrant Certificates as the Company; the Company shall thereupon be relieved of any further obligation hereunder or under the Warrants, and, in the event of any such sale, lease, transfer, conveyance (other than by way of lease) or other disposition, the Company as the predecessor corporation may thereupon or at any time thereafter be dissolved, wound-up or liquidated. Such ~~successor or assuming corporation~~ Successor Entity thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, Warrant Certificates evidencing the Warrants not theretofore exercised, in exchange and substitution for the Warrant Certificates theretofore issued. Such Warrant Certificates shall in all respects have the same legal rank and benefit under this Agreement as the Warrant Certificates evidencing the Warrants theretofore issued in accordance with the terms of this Agreement as though such new Warrant Certificates had been issued at the date of the execution hereof. In any case of any such merger or consolidation or sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Company, such changes in language and form (but not in substance) may be made in the new Warrant Certificates, as may be appropriate.

**Requisite Consents**

Warrantheolders must validly deliver (and not revoke) consents in respect of at least a majority of the currently issued and outstanding warrants. As of July 7, 2008, there were 45,535,850 warrants outstanding. The failure of a holder to deliver a consent (including any failure resulting from broker non-votes) will have the same effect as if such holder had voted against the proposed warrant amendment.

**Record Date**

The record date for the purposes of this Consent Solicitation is July 7, 2008. Marathon reserves the right to establish from time to time any new date as such record date and, thereupon, any such new date will be deemed to be the record date for purposes of the Consent Solicitation.

If the requisite consents are obtained and the proposed warrant amendment becomes effective, it will be binding on all warrantheolders and their transferees, whether or not such warrantheolders have consented to the proposed warrant amendment.

**Expiration Time; Extensions; Amendment**

The Consent Solicitation will expire at the Expiration Time, unless terminated or extended by Marathon. Consents may be revoked at any time until the earlier of the Expiration Time and the Consent Date, but may not be revoked thereafter. See Revocation of Consents below.

Marathon expressly reserves the right to extend the Consent Solicitation at any time and from time to time by giving oral (promptly confirmed in writing) or written notice to the Solicitation and Information Agent. For purposes of the Consent Solicitation, a notice given by Marathon before 9:00 a.m., New York City time, on any

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day shall be deemed to have been made on the preceding day. Any such extension will be followed as promptly as practicable by notice thereof by press release or other public announcement (or by written notice to the warrant holders). Such announcement or notice may state that Marathon is extending the Consent Solicitation for a specified period of time or on a daily basis.

Marathon expressly reserves the right for any reason to abandon, terminate or amend the Consent Solicitation at any time prior to the Expiration Time by giving oral (promptly confirmed in writing) or written notice of such abandonment, termination or amendment to the Solicitation and Information Agent. If the conditions to the execution of the Third Supplemental warrant agreement are not satisfied or waived, the Third Supplemental Warrant Agreement will not be executed and the proposed warrant amendment will not become effective. Any such action by Marathon will be followed as promptly as practicable by notice thereof by press release or other public announcement (or by written notice to the warrant holders).

**Procedures for Delivering Consents**

The delivery of a consent by a warrant holder pursuant to one of the procedures set forth below will constitute a consent to the proposed warrant amendment in accordance with the terms and subject to the conditions set forth herein and in the Consent Letter.

Only holders of warrants are authorized to consent to the proposed warrant amendment. The procedures by which consents given by beneficial owners that are not holders will depend upon the manner in which the warrants are held.

**HOLDERS OF WARRANTS SHOULD NOT TENDER OR DELIVER WARRANTS AT ANY TIME.**

*Warrants Held in Physical Form.* To effectively deliver a consent with respect to warrants held in physical form pursuant to the Consent Solicitation, a properly completed Consent Letter (or a facsimile thereof duly executed by the holder thereof, with the original to follow promptly and, in any event, prior to the Expiration Time) and any other documents required by the Consent Letter must be received by the Tabulation Agent at its address set forth below on or prior to the Consent Date. The Consent Letter should be sent only to the Tabulation Agent and should not be sent to Marathon.

*Warrants Held Through a Custodian.* To effectively deliver a consent with respect to warrants held of record by a custodian bank, depository, broker, trust company or other nominee, the beneficial owner thereof must instruct such holder to deliver the Consent Letter on the beneficial owner's behalf. A Letter of Instructions is included in the Consent Solicitation materials provided with this joint proxy statement/prospectus which may be used by a beneficial owner in this process to deliver the consent. Any beneficial owner of warrants held of record by DTC or its nominee, through authority granted by DTC, may direct the DTC Participant through which such beneficial owner's warrants are held in DTC to execute on such beneficial owner's behalf a consent with respect to warrants beneficially owned by such beneficial owner on the day of execution.

The method of delivery of Consent Letter and all other required documents is at the election and risk of the person delivering the Consent Letter and, except as otherwise provided in the Consent Letter, delivery will be deemed made only when actually received by the Tabulation Agent. If delivery is by mail, it is suggested that the holder use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the Expiration Time to permit delivery to the Tabulation Agent prior to such date. No alternative, conditional or contingent deliveries of consents will be accepted.

*Determination of Validity.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any consents pursuant to any of the procedures described above will be determined by Marathon in its sole discretion (whose determination shall be final and binding). Marathon reserves the absolute right to reject any or all consents determined by it not to be in proper form. Marathon also reserves the absolute right, in its sole

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discretion, to waive any defect or irregularity in any delivery of consents of any particular holder, whether or not similar defects or irregularities are waived in the case of other holders. Marathon's interpretation of the terms and conditions of its Consent Solicitation (including the Consent Letter and the Instructions thereto) will be final and binding. None of Marathon, the Solicitation and Information Agent, the Tabulation Agent, the Warrant Agent or any other person will be under any duty to give notification of any defects or irregularities in delivery of consents or will incur any liability for failure to give any such notification.

### **Revocation of Consents**

Delivered consents may be validly revoked at any time prior to the earlier of the Expiration Time and the Consent Date. For a revocation of a consent to be effective, a written or facsimile transmission notice of revocation must be timely received by the Tabulation Agent at its address set forth below. Any such notice of revocation must (A) specify the name of the person who delivered the consents to be revoked, (B) contain the certificate number and number of warrants to which such revoked consent relates and (C) be signed by the holder of such warrants in the same manner as the original signature on the Consent Letter or be accompanied by (x) documents of transfer sufficient to have the Warrant Agent register the transfer of the warrants into the name of the person revoking such consents and (y) a properly completed irrevocable proxy that authorized such person to effect such revocation on behalf of such holder. Revoked consents may be redelivered by following one of the procedures described under Procedures for Delivering Consents. No warrant holder may revoke a consent after the Consent Date.

Marathon reserves the right to contest the validity of any revocation and all questions as to the form and validity (including time of receipt) of any revocation will be determined by Marathon in its sole discretion (whose determination will be final and binding). None of Marathon, the Warrant Agent, the Solicitation and Information Agent, the Tabulation Agent or any other person will be under any duty to give notification of any defects or irregularities in any revocation or incur any liability for failure to give any such notification.

### **Consent by Marathon Investors, LLC and Marathon Directors**

Marathon Investors, LLC owns 5,500,000 of the 45,535,850 outstanding warrants as of July 7, 2008. While Marathon Investors, LLC and Marathon's officers and directors and their respective affiliates are not subject to any voting arrangement with respect to the Consent Solicitation, they have informed Marathon that they intend to give their consent for all warrants currently held, as well as any warrants that they may subsequently acquire. If Marathon Investors, LLC or Marathon's officers and directors and their respective affiliates purchase warrants from warrant holders that are likely not to give consent with respect to the Consent Solicitation, the probability that the required number of warrant consents will be received will increase.

### **Solicitation and Information Agent and Tabulation Agent**

Marathon has retained Morrow & Co., LLC as Solicitation and Information Agent in connection with the Consent Solicitation. The Solicitation and Information Agent will solicit consents and will receive a customary fee for such services and reimbursement for reasonable out-of-pocket expenses. Marathon has agreed to indemnify the Solicitation and Information Agent against certain liabilities and expenses, including liabilities under the securities laws in connection with the Consent Solicitation.

Mellon Investor Services LLC will act as Tabulation Agent in connection with the Consent Solicitation.

Requests for additional copies of this joint proxy statement/prospectus or the Consent Letter may be directed to Morrow & Co., LLC, the Solicitation and Information Agent, at (800) 270-3670.

The Solicitation and Information Agent and the Tabulation Agent do not assume any responsibility for the accuracy or completeness of the information contained in this joint proxy statement/prospectus or any failure by Marathon to disclose events that may have occurred and may affect the significance or accuracy of such information.

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**Fees and Expenses**

Marathon will bear the costs of the Consent Solicitation. Marathon will reimburse the Solicitation and Information Agent and the Tabulation Agent for expenses that are incurred in connection with the Consent Solicitation. Marathon will also reimburse banks, trust companies, securities dealers, nominees, custodians and fiduciaries for their reasonable expenses in forwarding Consent Letters and other materials to warrant holders.

**The Merger is conditioned upon receipt of the Requisite Consents, adoption of the proposed warrant amendment and execution and delivery of the Third Supplemental Warrant Agreement. The Consent Solicitation is not conditioned on the Merger.**

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**UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma combined balance sheet presents the financial position of GSL Holdings as of March 31, 2008, assuming the Merger had been completed as of that date. The historical financial information has been adjusted to give effect to pro forma events that are directly attributable to the Merger and factually supportable. GSL Holdings was recently formed on March 14, 2008, did not have any assets or operations as of March 31, 2008, and therefore has not been included within this analysis because its results would not differ from those of Marathon.

The unaudited pro forma combined financial information and explanatory notes present how the combined financial statements of Marathon and Global Ship Lease may have appeared had the businesses actually been combined as of the dates noted below. The unaudited pro forma combined financial information shows the impact of the Merger on the combined balance sheets and the combined income statement under the purchase method of accounting with Marathon treated as the acquiror. Under this method of accounting, the assets and liabilities of Global Ship Lease are recorded by Marathon at their estimated fair values as of the acquisition date. The unaudited pro forma combined balance sheet as of March 31, 2008 assumes the Merger was completed on that date.

The unaudited pro forma combined income statements for the year ended December 31, 2007 and for the three months ended March 31, 2008 were prepared assuming the Merger was completed on January 1, 2007.

The pro forma statement of income reflects the contracted charterhire revenue of the 10 secondhand vessels in the initial fleet at the amended charterhire rates which were agreed upon as part of the merger transaction which were operated by Global Ship Lease's Predecessor Group until their sale to Global Ship Lease in December 2007 and that are now chartered to CMA CGM by Global Ship Lease under long-term charter agreements. Additionally, the pro forma statement of income includes the contracted charterhire revenue and related expenses including depreciation and interest expense for the two newly built vessels for the period from delivery to the Predecessor Group on November 5 and December 27, 2007 through December 31, 2007 and through March 31, 2008.

The pro forma financial information does not reflect the five contracted vessels, four of which are expected to be delivered in December 2008, and one of which is expected to be delivered in July 2009.

The pro forma balance sheet does not reflect the impact of the starting dividend, which will not be declared until after the completion of the Merger.

It is anticipated that the Merger will provide financial benefits such as possible expense efficiencies among other factors, although no assurances can be given that such benefits will actually be achieved. These benefits have not been reflected in the unaudited pro forma financial information. As required, the unaudited pro forma combined financial information includes adjustments which give effect to events that are directly attributable to the transaction, expected to have a continuing impact and are factually supportable; as such, any planned adjustments affecting the balance sheet, statement of operations, or shares of common stock outstanding subsequent to the assumed acquisition completion date are not included. The unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined businesses had they actually been combined on the dates noted above. However, management believes (a) that the assumptions used provide a reasonable basis for presenting the significant effect of (i) the change in activity from the activities of the CMA CGM as a ship operator deriving its revenue from the provision of containerized transportation to Global Ship Lease's activities as a ship owner deriving its revenue from long-term time charters and (ii) the Merger, and (b) that the pro forma adjustments give appropriate effect to the assumptions and are properly applied in the unaudited pro forma financial statements.

As explained in more detail in the accompanying notes to the unaudited pro forma combined financial information, the allocation of the purchase price reflected in the pro forma combined financial information is subject to adjustment. The actual purchase price allocation will be recorded based upon final estimated fair values of the

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assets and liabilities acquired, which is likely to vary from the purchase price allocations adopted in the pro forma combined financial statements. In addition, there may be further refinements of the purchase price allocation as additional information becomes available.

The unaudited pro forma combined financial information is derived from and should be read in conjunction with the financial statements and related notes of Marathon and the combined financial statements and related notes of Global Ship Lease, which are included in this joint proxy statement/prospectus.

**Table of Contents****UNAUDITED PRO FORMA COMBINED BALANCE SHEET**

The following unaudited pro forma combined balance sheet as of March 31, 2008, combines the March 31, 2008 historical balance sheets of Marathon and Global Ship Lease assuming the businesses had been combined on March 31, 2008, on a purchase accounting basis.

**Unaudited Pro Forma Combined Balance Sheet, March 31, 2008**

	Marathon	Global Ship Lease Inc.	Pro Forma Adjustments (assuming no conversions)	Note	Pro Forma Combined (\$ thousands)	Pro Forma Adjustments (assuming maximum conversions)	Note	Pro Forma Combined
Cash and cash equivalents	\$ 2,132	\$ 4,288	\$ 301,143	A	\$ 1,000	63,408	K	\$ 1,000
			(66,570)	B		(63,408)	L	
			(15,670)	B				
			(6,406)	C				
			(3,400)	D				
			(214,517)	D				
Restricted Cash			15,000	A	15,000			15,000
Interest receivable	451				451			451
Prepaid expenses and other receivables	946	3,753			4,699			4,699
Deferred financing costs		774	(774)	E				
Current assets	3,529	8,815	8,806		21,150			21,150
Investments held in trust account	316,143		(316,143)	A				
Vessel Deposit			99,000	B	99,000			99,000
Vessels in operation		471,879	125,245	B	597,124			597,124
Other fixed assets		30	(4)	B	26			26
Intangible assets			42,384	B	42,384			42,384
Non-current assets	316,143	471,909	(49,518)		738,534			738,534
Deferred acquisition costs	1,422		(1,422)	F				
Deferred financing costs		5,181	(5,182)	E	3,400			3,400
			3,400	D				
<b>Total Assets</b>	<b>\$ 321,094</b>	<b>\$ 485,905</b>	<b>\$ (43,916)</b>		<b>\$ 763,084</b>	<b>\$</b>		<b>\$ 763,084</b>
<b>Liabilities and Stockholders Equity</b>								
<b>Liabilities</b>								
Current installments of long-term debt	\$	\$ 401,100	\$ (401,100)	D	\$			\$
Accounts payable		3,466			3,466			3,466
Accrued expenses and other liabilities	10,211	3,301	(6,406)	C	5,684			5,684
			(1,422)	F				
Amounts due to group companies		2,273	(2,273)	G				
Current liabilities	10,211	410,140	(411,201)		9,150			9,150
Long term debt			401,100	D	186,583	63,408	K	249,991
			(214,517)	D				
Amounts due to group companies		176,875	(176,875)	G				
Intangible liabilities			68,819	B	68,819			68,819
<b>Total Liabilities</b>	<b>10,211</b>	<b>587,015</b>	<b>(332,674)</b>		<b>264,552</b>	<b>63,408</b>		<b>327,960</b>
<b>Commitments and contingencies</b>								
Common stock subject to possible redemption	61,795		(61,795)	H				
Interest attributable to common stock subject to possible conversion	1,613		(1,613)	H				

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<b>Stockholders Equity</b>							
Preferred stock							
Common stock-Marathon	5		(5)	I			
Class A common stock			523	I	523	(80)	L 443
Class B common stock			100	I	100		100
Class C common stock			124	I	124		124
Additional paid in capital	240,553		186,906	I	489,255	(61,715)	L 427,540
			61,795	H			
Retained earnings (deficit)	6,917	(101,110)	101,110	J	8,530	(1,613)	L 6,917
			1,613	H			
<b>Total Stockholder s Equity</b>	<b>247,475</b>	<b>(101,110)</b>	<b>352,166</b>		<b>498,532</b>	<b>(63,408)</b>	<b>435,124</b>
<b>Total Liabilities and Stockholder s Equity</b>	<b>\$ 321,094</b>	<b>\$ 485,905</b>	<b>\$ 43,916</b>		<b>\$ 763,084</b>	<b>\$</b>	<b>\$ 763,084</b>



**Table of Contents****UNAUDITED PRO FORMA COMBINED INCOME STATEMENTS**

The following unaudited pro forma combined income statement for the year ended December 31, 2007 and for the three months ended March 31, 2008, combines the historical income statements of Marathon and Global Ship Lease assuming the businesses had been combined on January 1, 2007, on a purchase accounting basis.

	Three months Ended March 31, 2008						Pro Forma Combined
	Marathon	Global Ship Lease Inc.	Pro Forma Adjustments (assuming no conversions)	Note	Pro Forma Combined (\$ thousands except per share)	Pro Forma Adjustments (assuming maximum conversions)	
<b>Operating Revenues</b>							
Voyage revenue	\$	\$ 2,072	\$ (2,072)	M	\$	\$	\$
Time charter revenue		21,822	877	N	24,001		24,001
			1,302	O			
<b>Total operating revenues</b>		<b>23,894</b>	<b>107</b>		<b>24,001</b>		<b>24,001</b>
<b>Operating expenses</b>							
Voyage expenses		(1,944)	1,944	P			
Vessel expenses		(7,345)	(8)	Q	(7,353)		(7,353)
Depreciation and amortization		(5,020)	(617)	R	(5,743)		(5,743)
			(106)	S			
General and administrative	(1,863)	(722)	598	T	(1,988)		(1,988)
Other operating income/(expense)		(280)	280	U			
<b>Total operating expenses</b>	<b>(1,863)</b>	<b>(15,311)</b>	<b>2,090</b>		<b>(15,084)</b>		<b>(15,084)</b>
<b>Operating Income (loss)</b>	<b>(1,863)</b>	<b>8,583</b>	<b>2,197</b>		<b>8,917</b>		<b>8,917</b>
<b>Non operating income/expense</b>							
Interest income	1,953	302	(1,953)	V	302		302
Interest expense		(8,234)	6,171	W	(2,445)	(701)	(3,146)
			(382)	X			
<b>Income before Income Taxes</b>	<b>90</b>	<b>651</b>	<b>6,033</b>		<b>6,774</b>	<b>(701)</b>	<b>6,073</b>
Income taxes	(891)	(16)			(16)		(16)
			891	Z			
<b>Net Income</b>	<b>\$ (801)</b>	<b>\$ 635</b>	<b>\$ 6,924</b>		<b>\$ 6,758</b>	<b>\$ (701)</b>	<b>\$ 6,057</b>

Weighted average number of shares

outstanding subject to possible conversion

Basic	8,003,166	(8,003,166)
Diluted	8,003,166	(8,003,166)

Net income per share amount

Basic	\$ (0.03)	\$	\$
Diluted	\$ (0.03)	\$	\$

Weighted average number of shares  
outstanding not subject to possible  
conversion

Basic	41,407,684	(41,407,684)
Diluted	41,407,684	(41,407,684)

Net income per share amount

Basic	\$ (0.02)	\$	\$
Diluted	\$ (0.02)	\$	\$

Weighted average number of Class A  
common shares outstanding

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Basic		52,255,450	AB	52,255,450	AB	(8,003,166)	44,252,284
Diluted		62,701,774	AB	62,701,774	AB	(8,003,166)	54,698,608
Net income per share amount							
Basic	\$			\$ 0.13	AB		\$ 0.14
Diluted	\$			\$ 0.11	AB		\$ 0.11
Weighted average number of Class B common shares outstanding							
Basic		10,000,000	AB	10,000,000	AB		10,000,000
Diluted		10,000,000	AB	10,000,000	AB		10,000,000
Net income per share amount							
Basic	\$			\$	AB		\$
Diluted	\$			\$	AB		\$
Weighted average number of Class C common shares outstanding							
Basic		12,375,000	AB	12,375,000	AB		12,375,000
Diluted		12,375,000	AB	12,375,000	AB		12,375,000
Net income per share amount							
Basic	\$			\$	AB		\$
Diluted	\$			\$	AB		\$

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Year Ended December 31, 2007

	Marathon	Global Ship Lease Inc.	Pro Forma Adjustments (assuming no conversions) (\$ thousands except per share)	Note	Pro Forma Combined	Pro Forma Adjustments (assuming maximum conversions)	Pro Forma Combined
<b>Operating Revenues</b>							
Voyage revenue	\$	\$ 332,186	\$ (332,186)	M	\$	\$	\$
Time charter revenue		2,909	65,906	N	74,022		74,022
			5,207	O			
Total operating revenues		335,095	(261,073)		74,022		74,022
<b>Operating expenses</b>							
Voyage expenses		(249,457)	249,457	P			
Vessel expenses		(23,959)	489	Q	(23,470)		(23,470)
Depreciation and amortization		(16,119)	(982)	R	(17,526)		(17,526)
			(425)	S			
General and administrative	(1,184)	(17,751)	10,985	T	(7,950)		(7,950)
Other operating income/(expense)		2,341	(2,341)	U			
Total operating expenses	(1,184)	(304,945)	257,183		(48,946)		(48,946)
<b>Operating Income (loss)</b>	(1,184)	30,150	(3,890)		25,076		25,076
<b>Non operating income/expense</b>							
Interest income	14,875	207	(14,875)	V	207		207
Interest expense		(13,561)	12,647	W	(2,874)	(3,843)	(6,718)
			(1,960)	X			
<b>Income before Income Taxes</b>	13,691	16,796	(8,078)		22,409	(3,843)	18,565
Income taxes	(7,009)	(20)	(76)	Y	(96)		(96)
			7,009	Z			
<b>Net Income</b>	\$ 6,683	\$ 16,776	\$ (1,145)		\$ 22,313	\$ (3,843)	\$ 18,469
<b>Weighted average number of shares outstanding subject to possible conversion</b>							
Basic	8,003,166		(8,003,166)				
Diluted	8,003,166		(8,003,166)				
<b>Net income per share amount</b>							
Basic	\$ 0.18				\$		\$
Diluted	\$ 0.18				\$		\$
<b>Weighted average number of shares outstanding not subject to possible conversion</b>							
Basic	41,407,684		(41,407,684)				
Diluted	52,374,624		(52,374,624)				
<b>Net income per share amount</b>							
Basic	\$ 0.13				\$		\$
Diluted	\$ 0.10				\$		\$
<b>Weighted average number of Class A common shares outstanding</b>							
Basic			52,255,450	AB	52,255,450	AB	(8,003,166)
Diluted			62,499,821	AB	62,499,821	AB	(8,003,166)
<b>Net income per share amount</b>							
Basic	\$				\$ 0.43	AB	\$ 0.42
Diluted	\$				\$ 0.36	AB	\$ 0.34
<b>Weighted average number of Class B common shares outstanding</b>							
Basic			10,000,000	AB	10,000,000	AB	10,000,000
Diluted			10,000,000	AB	10,000,000	AB	10,000,000

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Net income per share amount						
Basic	\$			\$	AB	\$
Diluted	\$			\$	AB	\$
Weighted average number of Class C common shares outstanding						
Basic		12,375,000	AB	12,375,000	AB	12,375,000
Diluted		12,375,000	AB	12,375,000	AB	12,375,000
Net income per share amount						
Basic	\$			\$	AB	\$
Diluted	\$			\$	AB	\$

**Table of Contents****Notes to the Pro Forma Combined Financial Statements (\$ thousands except per share and per day amounts)****Unaudited Pro Forma Combined Balance Sheet**

The balance sheets included in this joint proxy statement/prospectus do not reflect the financial condition GSL Holdings will have as of the date of the closing of the Merger. Therefore, we have recorded pro forma adjustments to reflect the relevant financial arrangements of the Merger and the January 2008 newly built vessel acquisitions as if those transactions had occurred on March 31, 2008. The pro forma adjustments are described in more detail as follows:

- A. Transfer of funds held in trust to restricted and unrestricted cash accounts. Restricted cash represents the minimum cash balance required by the Global Ship Lease credit facility.
- B. Marathon will account for the business combination under the purchase method. Under the purchase method, the assets acquired and liabilities assumed will be recorded at their fair values as of the acquisition date. Any excess of the fair value of the net acquired assets over the purchase price will be recorded as a pro rata reduction of identified intangible assets, vessels in operation and other fixed assets. The following table shows the adjusted fair values, as of the date of this filing, of the assets purchased and liabilities assumed in the transaction from Global Ship Lease. These values do not reflect the final adjustments to the purchase price or the final allocation of the fair value excess of the net acquired assets, as the process to assign a fair value to the various tangible and intangible assets and liabilities has not been completed. Final adjustments may result in a materially different allocation of the purchase price, which will affect the value assigned to tangible and/or intangible assets and liabilities acquired.

	Shares	Fair Value	Fair Value per share
<b>Calculation of Allocable Purchase Price:</b>			
Cash payment		\$ 66,570	
Class A common shares (1)	7,844,600	61,031	\$ 7.78
Class B common shares (1)	5,000,000	34,300	6.86
Class C common shares (1)	12,375,000	92,318	7.46
Transaction related expenses (2)		15,670	
<b>Total allocable purchase price</b>		<b>\$ 269,889</b>	
<b>Estimated Allocation of Purchase Price:</b>			
Cash and cash equivalents		\$ 4,288	
Prepaid expenses and other receivables		3,753	
Vessel Deposit (3)		99,000	
Vessels in operation (4)		597,124	
Other fixed assets (5)		26	
Debt		(401,100)	
Accounts payable		(3,466)	
Accrued expenses and other liabilities		(3,301)	
Intangible assets (6)		42,384	
Intangible liabilities (7)		(68,819)	
<b>Total Allocable Purchase Price</b>		<b>\$ 269,889</b>	

The fair value of the acquired assets and liabilities has been reduced by \$84,746, which equals the estimated excess of the fair value of the net acquired assets over the purchase price. Accordingly, three assets classes were reduced pro rata: (i) identified intangible assets of \$48,000 to \$42,384, (ii) other fixed assets from \$30 to \$26 and (iii) the fair value of the vessels in operation from \$676,250 to \$597,124.



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- (1) Recognition of issuance of common shares to CMA CGM as consideration pursuant to the merger agreement. The Class A common shares have been valued at the \$7.78 per share average closing price of Marathon's common stock (using the average closing price of the five days on and surrounding the announcement date of March 24, 2008). The rights of holders of Class B common shares will be identical to those of holders of Class A common shares subject to meeting certain tests, except that the holders of Class B common shares will not be entitled to receive any dividends with respect to any quarter prior to the fourth quarter of 2008 and their dividend rights will be subordinated to those of holders of Class A common shares until at least the third quarter of 2011. The rights of holders of Class C common shares will be identical to those of holders of Class A common shares, except that holders of Class C common shares will not be entitled to receive any dividends and the Class C common shares will convert into Class A common shares on a one-for-one basis on January 1, 2009. Please see Description of Securities.

Management estimated the per share value of the Class C common shares by discounting the share price of \$7.78 by the present value of the first two \$0.18 dividends foregone in 2008. Management calculated the discount rate of 10.10% by using the average of (a) an 11.5% cost of equity using the dividend growth model (assumes a comparable dividend of 7.5% and long-term dividend growth of 4.0%) and (b) an 8.7% cost of equity using the beta method (4.40% U.S. Risk Free Rate (30-year U.S. Treasury) plus a 4.25% adjusted equity market risk premium). Using this rate, the discount for the present value of the waived dividends is \$0.32. This results in an implied share price of \$7.46.

Management estimated the per share value of the Class B common shares using the same method for the waived dividends as used for Class C common shares. Management applied an additional discount for subordinated dividend risk and impaired liquidity. Management estimated a discount of 7.8% (\$0.61) by examining trading performance of subordinated share class for precedent transactions. This results in an implied share price of \$6.86.

- (2) Payment of costs related to the Merger, including advisory fees, legal fees, accounting fees, and other miscellaneous transaction fees. The calculation of estimated costs related to the Merger reflects costs incurred to date combined with estimated costs to complete the transaction, as provided by the parties and their advisors, attorneys and accountants.
- (3) Deposit included in purchase price related to prepayment for the five contracted vessels. If the vessels are not delivered, CMA CGM must cash refund the deposit.
- (4) Reflects the adjustment of Global Ship Lease's vessel carrying value to the charter-free fair value as of December 2007, less an adjustment due to the excess of the fair value of the net assets acquired over the purchase price of approximately \$79,126. Please refer to note R for details. These ships will be re-valued to reflect fair value on the date of the Merger, and adjusted accordingly in the purchase price allocation.
- (5) The \$30 other fixed assets were reduced by \$4 as an allocation of the excess fair value of the net acquired assets over the purchase price.
- (6) Intangible assets related to purchase agreements for three of the five vessels expected to be delivered in December 2008 and July 2009 of \$48,000 were identified. The contractual purchase prices of the three vessels, which were negotiated in 2007, are currently less than the fair value of the vessels. The current assumption is that the newbuilding and one secondhand vessel are being purchased at fair value, and therefore result in no intangible asset. Due to the overall excess of the fair value of the net assets acquired over the purchase price, these intangible assets were reduced \$5,616 to \$42,384. These intangible assets will not be amortized. At the time of purchase, these intangible asset will be reversed and the book basis of the purchased ships will be increased. The total book basis will be depreciated over the vessels' expected useful lives.

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- (7) To record Marathon management's estimate of fair value for intangible liabilities consisting of below-market charters to be amortized for each vessel over the remaining life of the charter. The fair value of current market rate charters was estimated by management based on its experience with regard to availability of similar vessels, costs to build new vessels and current market demand. The contracted lease rates were compared to the estimated current market lease rates for similar vessels. The estimated lease intangibles were computed by discounting the difference in the projected lease cash flows using a discount rate of 8% and the length of the charter as the relevant time period. The intangible liabilities related to the 10 secondhand vessels in the initial fleet total \$31,844. Please refer to note O for details. There is no adjustment required for the two newly built ships. The intangible liabilities for the five contracted vessels total \$36,975, which will begin amortizing at the time of each vessel acquisition. These estimates are Marathon management's best estimates and are subject to change pending completion of appraisals of Marathon's principal assets by experts upon completion of the Merger.
- C. Payment of deferred underwriting discounts and commissions placed in trust account pending completion of a business combination.
- D. \$401,100 transfer of outstanding credit facility borrowings from short-term debt to long-term as a result of the credit facility amendment to allow for the Merger, which extends the maturity of the credit facility; capitalization of credit facilities fees of \$3,400; \$214,517 repayment of credit facility from remaining trust proceeds.
- E. To reverse Global Ship Lease's capitalized deferred financing costs.
- F. Reversal of accrued merger related expenses incurred through March 31, 2008 that will be paid as part of the \$15.67 million of transaction related expenses within the purchase price.
- G. Reversal of former Global Ship Lease parent company liabilities.
- H. Reversal of common stock subject to possible redemption and attributable interest due to assumed 0 shares converted.
- I. Recognition of issuance of common shares to CMA CGM as consideration pursuant to the merger agreement and reversal of old common shares.
- J. Reversal of Global Ship Lease's stockholder equity.
- K. Reversal of credit facility repayment to allow for payment from trust to convert Marathon shares and interest.
- L. Repayment of 8,003,166 shares of common stock (19.99%) converted at the initial estimated per share conversion price plus interest allocated net of taxes. The initial per share conversion price, estimated at \$7.72 at the time of the initial public offering, was calculated by dividing the total initial public offering proceeds deposited into the trust account by the number of shares issued in the initial public offering. Interest allocated net of income taxes to the 8,003,166 shares subject to possible conversion equaled \$1,613 as of March 31, 2008. Upon actual conversion, the amount paid will equal the initial per share conversion price plus the per share portion of interest accumulated within the trust that is allocated to the shares subject to possible conversion as of the date of the consummation of the Merger.

Other potential adjustments to the balance sheet depending on certain levels of conversion are shown below. The table depicts a range of possible conversion: 5% (2,001,793 shares), 10% (4,003,583 shares) and 15% (6,005,378 shares).



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	<b>5% Conversion</b>	<b>10% Conversion</b>	<b>15% Conversion</b>	<b>19.9% Conversion</b>
Long term debt	15,851	31,704	47,555	63,408
Class A common shares	(20)	(40)	(60)	(80)
Additional Paid In Capital	(15,436)	(30,873)	(46,309)	(61,715)
Retained Earnings	(395)	(791)	(1,186)	(1,613)

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***Unaudited Pro Forma Combined Income Statement***

The statements of income included in this joint proxy statement/prospectus does not reflect the operating results that would have been obtained under Global Ship Lease's fixed-rate long-term charters and ship management agreements. As such, pro forma adjustments have been made to the combined statement of income to reflect the pro forma results of operations under the fixed rate long-term charters and ship management agreements as if those contractual arrangements had been in place on January 1, 2007 for the 10 secondhand vessels of Global Ship Lease's initial fleet which were operated for the full year in 2007 and for the three months ended March 31, 2008.

Additionally, the pro forma adjustments include operation of the two newly built vessels as if the fixed rate long-term charters and ship management agreements had been in place for the period from delivery on November 5 and December 27, 2007 until December 31, 2007 and for the three months ended March 31, 2008. Revenues from these vessels, interest expense on the related borrowings, depreciation expense and related vessel expenses have only been included from the time of their delivery to the Predecessor Group in November and December 2007 through December 31, 2007. Had these vessels been included for the full year with no off hire, time charter revenue would have increased by \$22,278, depreciation would have increased by \$4,791, interest expense on the related borrowings would have increased by \$9,969 and related vessel expenses would have increased by \$5,367.

M. This adjustment eliminates voyage revenue generated by Global Ship Lease's Predecessor Group. Global Ship Lease operates as a ship owner generating revenue from its long-term charters.

N. This adjustment is to recognize Global Ship Lease's charter hire receivable for its initial fleet under the long-term charter arrangements in place with CMA CGM based on the actual number of days of operation. The 2007 adjustment reflects the charter revenue which would have been derived from (i) the 10 secondhand vessels operated by the Predecessor Group up to the dates of their acquisition in December 2007 by Global Ship Lease, (ii) the two newly built vessels from their delivery to the Predecessor Group in November and December 2007 until December 31, 2007 and (iii) the increase in certain charter rates due to the amended and restated charter agreements entered into with CMA CGM in connection with the merger agreement.

The adjustment for the first quarter of 2008 reflects \$831 charter revenue that would have been derived from the two newly built vessels from January 1, 2008 through the dates Global Ship Lease purchased them from the Predecessor Group in January 2008, as well as the incremental impact of \$46 for the increase in charter rates due to the amended and restated charter agreements entered into with CMA CGM as a result of the merger agreement. For the purposes of this unaudited pro forma financial information, Global Ship Lease's charters have been classified as operating leases under U.S. GAAP.

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Please see Global Ship Lease Business Time Charters for more information on these agreements.

	Amended/ Restated Charter rate (\$/day) (A)	Year ended December 31, 2007 Actual number of days operation in 2007			Total pro forma charter revenue for the year (A) * (B)
		Predecessor Group	GSL	Total (B)	
Ville d Orion	\$ 21,500	332	11	343	7,389
Ville d Aquarius	\$ 21,500	349	13	362	7,773
CMA CGM Matisse	\$ 17,965	352	12	364	6,533
CMA CGM Utrillo	\$ 17,965	344	21	365	6,547
MOL Rainbow	\$ 17,965	352	13	365	6,549
Julie Delmas	\$ 17,965	332	22	354	6,350
Kumasi	\$ 17,965	340	12	352	6,317
Marie Delmas	\$ 17,965	331	19	350	6,283
CMA CGM La Tour	\$ 17,965	352	12	364	6,549
CMA CGM Manet	\$ 17,965	339	25	364	6,530
CMA CGM Alcazar	\$ 33,250	56		56	1,862
CMA CGM Château d If	\$ 33,250	4		4	133
					68,815
Less Global Ship Lease Inc. actual					(2,909)
Pro forma adjustment					65,906

	Three months ended March 31, 2008 Number of days of operation at GSL for the three month period ended March 31, 2008				Pro forma adjustment to revenue for GSL Predecessor Group for the period (thousand \$) (A) * (B)
	GSL charter rate (\$/day) (A)	Predecessor Group (B)	GSL	Total	
CMA CGM Alcazar (1)	\$ 33,250	16	75	91	532
CMA CGM Château d If (1)	\$ 33,250	9	82	91	299
					831

	Three months ended March 31, 2008			Pro forma adjustment to revenue for incremental rate for the period (thousand \$) (A) * (B)
	Number of days of operation at GSL for the three month period ended March 31, 2008 (A)	Incremental Charter Rate increase due to amended/ restated agreements (\$/day) (B)		
CMA CGM Matisse	90	\$ 65		6
CMA CGM Utrillo	91	\$ 65		6
MOL Rainbow	76	\$ 65		5

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Julie Delmas	91	\$ 65	6
Kumasi	91	\$ 65	6
Marie Delmas	91	\$ 65	6
CMA CGM La Tour	89	\$ 65	5
CMA CGM Manet	91	\$ 65	6
			46

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- O. Recognition of intangible liabilities to adjust below market leases to current market prices.

Vessel Name	Charter Duration	Intangible Liability	Annual Accretion	Quarter Accretion
Ville d Orion	5	\$ (9,716)	1,943	488
Ville d Aquarius	5	(9,716)	1,943	488
CMA CGM Matisse	9	(1,787)	199	33
CMA CGM Utrillo	9	(1,787)	199	33
MOL Rainbow	10	(1,316)	132	33
Julie Delmas	10	(1,316)	132	33
Kumasi	10	(1,316)	132	50
Marie Delmas	10	(1,316)	132	50
CMA CGM La Tour	9	(1,787)	199	50
CMA CGM Manet	9	(1,787)	199	50
		(31,844)	5,207	1,302

- P. This adjustment eliminates the voyage expenses related to Predecessor Group freight revenue, which has been adjusted in M above. Voyage expenses are borne by the charterer.

- Q. The 2007 adjustment amounting to \$489 is to (i) recognize the fees relating to Global Ship Lease's ship management agreements with CMA Ships for \$114 per vessel per year, amounting to \$1,109 for the initial fleet (ii) remove the fees relating to the management agreements with Midocean (IOM) Limited for four of Global Ship Lease's vessels, amounting to \$456 million, which would not have been incurred and (iii) reflect the effect of the global expense agreement with CMA Ships, which is determined on a fleet basis, that would have reduced Global Ship Lease's vessel expenses by \$1,139.

## Year ended December 31, 2007

Vessel Name	Actual vessel expenses in GSL combined financial statements (thousand \$)	Pro forma adjustments to vessel expenses (in thousand of U.S. dollars)			Total pro forma adjustment to vessel expense
		CMA Ships management fees	Midocean management fees	Effect of the global cap agreement	
Ville d Orion	2,525	110		47	157
Ville d Aquarius	2,684	110		(93)	17
CMA CGM Matisse	2,274	110		(120)	(10)
CMA CGM Utrillo	2,406	107		(252)	(144)
MOL Rainbow	2,145	110	(116)	102	4
Julie Delmas	2,009	107	(113)	136	130
Kumasi	2,046	110	(116)	98	92
Marie Delmas	2,101	108	(114)	41	35
CMA CGM La Tour	2,796	110		(626)	(516)
CMA CGM Manet	2,588	106		(433)	(327)
CMA CGM Alcazar	326	17		84	102
CMA CGM Château d If	59	1		(30)	(29)
	<b>23,959</b>	<b>1,109</b>	<b>(459)</b>	<b>(1,139)</b>	<b>(489)</b>

Three months ended March 31, 2008  
Pro forma adjustments to vessels expenses  
(in thousand of U.S. dollars)

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	CMA Ships management fees in thousand \$	Effect of the global cap agreement	Total pro forma adjustment to GSL vessel expense
CMA CGM Alcazar	5		4
CMA CGM Château d If	3		3
	<b>8</b>		<b>8</b>

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R. To record additional depreciation related to the adjustment of Global Ship Lease's vessel carrying value to current fair value.

(\$ in millions)

Vessel	Fair Value	Residual Value	Depreciable Amount	Useful Life	2007 Depreciation	Three months ended March 31, 2008 Depreciation
Ville d Orion	\$ 51.1	4.0	\$ 47.1	20	\$ 2.4	\$ 0.6
Ville d Aquarius	\$ 49.8	4.0	\$ 45.8	19	\$ 2.4	0.6
CMA CGM Utrillo	\$ 35.6	2.5	\$ 33.1	22	\$ 1.5	0.3
CMA CGM Utrillo	\$ 35.6	2.5	\$ 33.1	22	\$ 1.5	0.4
MOL Rainbow	\$ 41.8	2.9	\$ 38.9	26	\$ 1.4	0.4
Julie Delmas	\$ 40.2	2.9	\$ 37.3	25	\$ 1.5	0.4
Kumasi	\$ 40.2	2.9	\$ 37.3	25	\$ 1.5	0.4
Marie Delmas	\$ 38.5	2.9	\$ 35.6	25	\$ 1.4	0.4
CMA CGM Manet	\$ 37.9	2.9	\$ 35.0	24	\$ 1.5	0.4
CMA CGM La Tour	\$ 37.9	2.9	\$ 35.0	24	\$ 1.5	0.4
CMA CGM Alcazar (1)	\$ 94.0	5.0	\$ 89.0	30	\$ 0.5	0.7
CMA CGM Château d If (1)	\$ 94.5	5.0	\$ 89.5	30	\$ 0.0	0.7
<b>Total</b>	<b>597.1</b>		<b>556.7</b>		<b>17.1</b>	<b>5.6</b>

This adjustment also reflects the effect of the change from 25 to 30 years in estimated useful lives of Global Ship Lease's vessels as if its initial fleet was operated under its chartering activity from January 1, 2007. Please see Management's Discussion and Analysis of Financial Condition and Results of Operation of Global Ship Lease Vessel Lives for more detail.

S. To recognize the amortization of deferred financing costs associated with credit facility amendments to allow for the Merger. \$3,400 of deferred financing costs are amortized on a straight-line basis over the eight year life of the facility.

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- T. As a result of the Merger, GSL Holdings will become a charterhire company rather than a freight company. This adjustment is to recognize estimated general and administrative expenses related to Global Ship Lease of approximately \$7,950 per year, which includes directors' fees and expenses, salaries and benefits, equity incentive awards, office rent, legal and professional fees, directors and officers' insurance and miscellaneous fees and expenses. GSL Holdings will benefit from a simpler general and administrative structure to manage its ship owning business compared to the business of its Predecessor Group. The substantial reduction in pro forma general and administrative expenses compared to historical amounts reflects GSL Holdings' simplified business model of ship ownership compared to the Predecessor Group's business of carrying containerized cargo which required significant infrastructure, information systems and staff. General and administrative expenses in the historical financial statements were determined as an allocation of overhead of the CMA CGM group of which the Predecessor Group was a part, with allocation based on fleet capacity pro rata to the vessels in the Predecessor Group's fleet. Pro forma general and administrative expenses have been determined specifically for the on-going GSL Holdings business, which outsources a significant portion of its operational support under its ship management contracts and therefore, compared to other business models, has a lower overhead structure. Despite becoming a publicly listed entity, GSL Holdings anticipates the new business model will result in lower general and administrative expenses. The estimated general and administrative expenses are analyzed as follows:

In thousands of U.S. dollars	Estimated annual amount	Basis of determination
Directors fees and expenses	\$ 1,000	Based upon current estimates by Marathon.
Salaries and benefits	2,100	Based upon current estimates by Marathon.
Equity incentive awards	1,950	Based upon current contract negotiations.
Directors and officers insurance	500	Premiums based on estimated quotes received from insurance brokers.
Accounting and audit services	800	Signed or draft engagement letters.
Traveling and entertaining expenses	600	The management team's estimate based on their estimates of travel costs and entertaining expenses, for expected travel for managing the existing business and for business development.
Other professional services	200	The management team's estimate of on-going costs for tax, legal and similar services.
Office rents	200	Based on a signed short-term rental agreement and estimated costs of a longer term agreement for the principal executive office space.
Miscellaneous	600	The management team's estimate for other expected general and administrative costs, including insurance and claims support, investor relations support, corporate communications including quarterly financial statements and an annual general meeting.

Total \$ 7,950

The board of directors is not yet fully constituted and fees have not been finalized. The \$1,000 estimate for directors fees and expenses is comprised of board fees of \$800, representing an estimated chairman's fee of \$150, together with fees for the six other directors at \$100 each, and was based on discussions with prospective board members. Expenses for board meetings are estimated at \$200 annually, based on travel and accommodation costs for four meetings a year for seven directors.





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Of the \$2,100 estimate for salaries and benefits, \$1,200 consists of estimated cash based compensation and other benefits for the chief executive officer, chief financial officer and chief commercial officer and was based on the employment agreements expected to be entered into at the closing of the Merger (assuming cash bonus is 50% earned). Management has estimated cash compensation and other benefits with respect to other officers and employees likely to be employed based on costs incurred by Global Ship Lease for similar services during its first six months of operations. A total of 780,000 shares of restricted stock is estimated to be authorized as part of the equity based compensation plan offered to the officers of GSL Holdings. The fair value of these stock units is determined by multiplying the total number of units by the stock price of \$7.50, which was the market price on the AMEX of the common stock on January 3, 2007, the pro forma date of grant. This results in a total value of \$5,865 to be amortized over an estimated three year vesting (service) period.

- U. Global Ship Lease's Predecessor Group entered into certain derivative hedging transactions so as to mitigate the risk of bunker price fluctuations. In the future, any transactions of this nature will be entered into by the charterer, if deemed necessary by them. As an owner, GSL Holdings will not bear the cost of bunkers.
  
- V. Reversal of interest income earned by the Marathon trust assets.
  
- W. Interest expense on post-merger long-term debt balance of (i) \$0 from January 1, 2007 to November 4, 2007 (ii) \$93,005 from November 5, 2007 through December 26, 2007 resulting from payment relating to the delivery of the CMA CGM Alcazar on November 5 and (iii) \$186,583 from December 27, 2007 through December 31, 2007 resulting from the delivery of the CMA CGM Château d'If on December 27, 2007. This assumes no conversions of shares and is based on the 2007 monthly average of 3 month LIBOR (5.31%) plus 75 basis points, which is the applicable spread based on the anticipated average levels. Interest expense for the first quarter of 2008 reflects a debt balance of \$186,583 at the first quarter of 2008 monthly LIBOR (3.62%) plus 75 basis points.
  
- X. Represents the 25 basis points commitment fee on the undrawn portion of the \$800 million credit facility. The undrawn portion represents the \$800 million total facility less the outstanding debt throughout the respective financial statement periods. For the year ended December 31, 2007, the undrawn portion was (i) \$800,000 from January 1, 2007 to November 4, 2007, (ii) \$706,995 from November 5, 2007 to December 6, 2007 and (iii) \$613,417 from December 27, 2007 to December 31, 2007. For the three months ended March 31, 2008, the undrawn portion was \$613,417. See note W for details on the outstanding debt for the respective periods.
  
- Y. GSL Holdings intends to operate generally in jurisdictions where it will not be subject to income tax. Its principal executive office will be located in the United Kingdom where a separate subsidiary legal entity has been established. This separate entity provides administrative and support services to the group and invoices other group companies based on a cost plus an 8% margin. It is expected that the service company will invoice its affiliates approximately \$4.0 million worth of expenses. Applying the 8% margin and the corporate income tax rate prevailing in the United Kingdom of 30% will result in an income tax liability estimated to be approximately \$0.1 million.
  
- Z. Adjustment due to redomiciliation to Marshall Islands and resulting corporate tax rates. This pro forma assumption does not contemplate any adverse tax consequences. Please see Risk Factors Relating to Tax Matters.
  
- AA. Interest expense on the additional \$63,408 of long-term debt resulting from the conversion of the maximum 8,003,166 shares, based on the monthly average of 3 month LIBOR (5.31%: 2007 and 3.62%: 2008) plus 75 basis points, which is the applicable spread based on the anticipated average levels.
  
- AB. Basic income per common share is computed by dividing the earnings applicable to common shareholders by the weighted average number of Class A common shares outstanding for the period. Class B and Class C common shares would not qualify for dividends. At both March 31, 2008 and December 31, 2007, GSL Holdings has outstanding warrants to purchase 45,535,850 shares of Class A



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common shares. Diluted income per common share reflects the potential dilution assuming Class A common shares were issued upon the exercise of the outstanding warrants and the proceeds thereof were used to purchase common shares at the average market price for the first quarter of 2008 (\$7.79) and the year ended December 31, 2007 (\$7.74).

	<b>For the three months ended March 31, 2008</b>	<b>For the year ended December 31, 2007</b>
<b><i>For Class A Common Shares:</i></b>		
Weighted average number of common shares outstanding not subject to conversion	41,407,684	41,407,684
Weighted average number of common shares outstanding subject to conversion	8,003,166	8,003,166
Shares of common held by insiders transferred to Class B	(5,000,000)	(5,000,000)
Shares of common issued in transaction	7,844,600	7,844,600
Weighted average number of shares outstanding as used in computation of basic income per share	52,255,450	52,255,450
Effect of diluted securities warrants	10,446,324	10,244,371
Shares used in computation of diluted income per share	62,701,774	62,491,821

The Merger will create 10,000,000 shares of Class B common shares through the conversion of 5,000,000 shares of existing Class A common shares and the new issuance of 5,000,000 Class B common shares.

Upon completion of the Merger, Class A common shareholders have rights to a quarterly dividend. Class B common shareholders will not be entitled to receive any dividends in respect of income prior to the fourth quarter of 2008 and their dividend rights will be subordinated to those of holders of Class A common shares. Within the pro forma financials, the base quarterly dividend of \$0.18 per Class A common share has not been fully met. Thus, Class B common shareholders are not entitled to receive any portion of the earnings. Class B common shares will convert to Class A common shares on a one-for-one basis after the expiration of the subordination period. Class C common shares will convert to Class A common shares on a one-for-one basis on January 1, 2009 and are not entitled to receive any dividends prior to the conversion. As the record date for the fourth quarter 2008 dividend is anticipated to be post-conversion, Class C common shareholders will be entitled to receive this dividend.

Assuming maximum conversion of 19.99% of the common stock, the aggregate amount paid to Class A common shareholders in respect of the starting dividend would be between \$7,965,412 and \$9,845,750 (depending on dilution as a result of the exercise of the warrants). Assuming no conversion of common stock, the aggregate amount paid in respect of the starting dividend would be between \$9,405,981 and \$11,286,320 (depending on dilution as a result of the exercise of the warrants).

**Table of Contents****GSL HOLDINGS SUMMARY FINANCIAL INFORMATION**

Because GSL Holdings was incorporated on March 14, 2008 and has no operating history, GSL Holdings does not have any historical financial statements for any period other than a balance sheet as of April 11, 2008.

	As of April 11, 2008
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 10
<b>Total current assets</b>	<b>10</b>
<b>Total assets</b>	<b>\$ 10</b>
<b>Liabilities and Shareholders Equity</b>	
<b>Commitment and contingencies</b>	
<b>Shareholders Equity</b>	
Common shares (249,000,000 shares authorized, par value \$0.01 per share, 1,000 issued and outstanding)	\$ 10
Class A common shares (214,000,000 shares authorized, par value \$0.01 per share, 0 issued and outstanding)	
Class B common shares (20,000,000 shares authorized, par value \$0.01 per share, 0 issued and outstanding)	
Class C common shares (15,000,000 shares authorized, par value \$0.01 per share, 0 issued and outstanding)	
Preferred shares (1,000,000 shares authorized, par value \$0.01 per share, 0 issued and outstanding)	
Paid-in capital	
Total shareholders equity	10
<b>Total liabilities and shareholders equity</b>	<b>\$ 10</b>

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**SELECTED HISTORICAL COMBINED FINANCIAL AND  
OPERATING DATA OF GLOBAL SHIP LEASE**

You should read the information set forth below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of Global Ship Lease and Global Ship Lease's combined financial statements and notes thereto, which are referred to as Global Ship Lease's combined financial statements, included elsewhere in this joint proxy statement/prospectus. Global Ship Lease uses the term Predecessor Group to mean the container shipping services provided by the 10 secondhand vessels and two newly built vessels in Global Ship Lease's initial fleet when these vessels were owned and operated by CMA CGM and its subsidiaries rather than to mean any particular entity or entities.

The historical selected combined financial data as of March 31, 2008 and for the three months ended March 31, 2008 and March 31, 2007, as of December 31, 2007 and 2006 and for each of the years then ended together with such information for the year ended December 31, 2005 have been derived from audited and unaudited combined financial statements of Global Ship Lease included elsewhere in this joint proxy statement/prospectus. The historical selected combined financial data as of December 31, 2005 and for the year ended December 31, 2004 is derived from carve-out information of the Predecessor Group prepared by management of CMA CGM. Selected historical financial data as of December 31, 2003 and for the year then ended is not provided because carve-out financial statements for the Predecessor Group as of dates prior to January 1, 2004 and periods ending prior to such date cannot be prepared without unreasonable effort and cost. Certain financial information has been rounded, and, as a result, certain totals shown in this joint proxy statement/prospectus may not equal the arithmetic sum of the figures that should otherwise aggregate to those totals. In addition, as discussed elsewhere in joint proxy statement/prospectus, there are significant differences between Global Ship Lease's business after the acquisition of its initial fleet and the business of Global Ship Lease's Predecessor Group to which most of the historical financial and operating data included in this joint proxy statement/prospectus statement applies. The Predecessor Group's business was the operation of vessels earning revenue from carrying cargo for customers, whereas Global Ship Lease operates as a vessel owner, earning revenue from chartering out its vessels. Accordingly, the selected historical combined financial data, which includes mainly the Predecessor Group's trading activities of the vessels earning freight rates or revenue from carrying cargo for third party customers, are not indicative of the results Global Ship Lease would have achieved had it historically operated as an independent shipowning company earning charterhire or of Global Ship Lease's future results. This information should be read together with, and is qualified in its entirety by, Global Ship Lease's combined financial statements and the notes thereto included elsewhere in this joint proxy statement/prospectus.

**Table of Contents****GLOBAL SHIP LEASE, INC.**

The following combined financial information is not representative of Global Ship Lease's future operations as Global Ship Lease will derive its revenue only from chartering out its vessels under long-term fixed rate time-charters. Please refer to the GSL Holdings unaudited pro forma financial information included elsewhere in this joint proxy statement/prospectus, which reflects the pro forma effects of these charters and related agreements on Global Ship Lease's results of operations and financial condition.

	Selected combined financial information					
	Three months ended March 31,		Year ended December 31,			
	2008	2007	2007	2006	2005	2004
(in millions of U.S. dollars, except per share data)						
<b>Statement of Income</b>						
<b>Operating revenues:</b>						
Freight revenue (1)	\$ 2.1	\$ 77.0	\$ 332.2	\$ 299.6	\$ 111.6	\$ 58.1
Time charter revenue (2)	21.8		2.9			
<b>Operating expenses:</b>						
Voyage expenses (3)	(1.9)	(58.5)	(249.5)	(213.1)	(70.2)	(38.6)
Vessel expenses	(7.3)	(5.8)	(24.0)	(22.6)	(13.7)	(8.7)
Depreciation	(5.0)	(3.8)	(16.1)	(16.7)	(7.2)	(5.3)
General and administrative (4)	(0.7)	(2.9)	(17.8)	(11.3)	(2.7)	(1.3)
Other operating income / (expense)	(0.3)	(0.1)	2.3	11.9	(2.5)	
<b>Total operating expenses</b>	<b>(15.3)</b>	<b>(71.0)</b>	<b>(304.9)</b>	<b>(251.9)</b>	<b>(96.2)</b>	<b>(53.9)</b>
<b>Operating income</b>	<b>8.6</b>	<b>5.9</b>	<b>30.2</b>	<b>47.7</b>	<b>15.4</b>	<b>4.2</b>
<b>Non operating income/expense</b>						
Interest income	0.3		0.2			
Interest expense	(8.2)	(2.5)	(13.6)	(15.1)	(6.4)	(2.6)
<b>Income before income taxes</b>	<b>0.7</b>	<b>3.5</b>	<b>16.8</b>	<b>32.7</b>	<b>9.0</b>	<b>1.7</b>
Taxes on income						
<b>Net income</b>	<b>\$ 0.6</b>	<b>\$ 3.5</b>	<b>\$ 16.8</b>	<b>\$ 32.7</b>	<b>\$ 9.0</b>	<b>\$ 1.7</b>
Net income per share in thousand \$ per share						
Basic and diluted (5)	6	35	168	327	90	17
Weighted average number of common shares outstanding						
Basic and diluted	100	100	100	100	100	100
<b>Statement of cash flow</b>						
Net cash from operating activities	\$ 3.9	\$ 5.9	\$ 56.6	\$ 22.8	\$ 17.4	\$ 3.0
<b>Balance sheet data (at period end)</b>						
Total current assets	8.8	n/a	192.9	32.1	11.2	n/a
Total vessels	471.9	n/a	475.3	286.2	177.8	n/a
Total assets	485.9	n/a	674.6	344.5	203.0	n/a
Long-term debt (current and non-current portion)	401.1	n/a	401.1	139.2	109.9	n/a
Shareholder loan (6)	176.9	n/a	176.9			n/a
Stockholder's Equity	(101.0)	n/a	87.5	170.0	18.4	n/a

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- (1) This line item reports revenue earned by the Predecessor Group by carrying cargo on the vessels.
- (2) This line item reports revenues earned from Global Ship Lease's chartering business following the purchase of its initial fleet of 10 secondhand vessels in December 2007.
- (3) This line item reports the voyage related expenses of carrying cargo by the Predecessor Group.
- (4) Global Ship Lease's combined financial statements include the general and administrative expenses incurred by its Predecessor Group related to its operations and such costs incurred by Global Ship Lease as a wholly owned subsidiary of CMA CGM. Subsequent to the completion of the Merger, Global Ship Lease will incur additional administrative expenses, including legal, accounting, treasury, premises, securities regulatory compliance and other costs normally incurred by an independent listed public entity. Accordingly, general and administrative expenses incurred by and allocated to the Predecessor Group do not purport to be indicative of future expenses.
- (5) The weighted average number of shares outstanding of Global Ship Lease as of March 31, 2008 has been used for purposes of computing earnings per share for all presented prior periods.
- (6) Amounts due to group companies that will not be assumed by GSL Holdings following completion of the Merger.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION**

**AND RESULTS OF OPERATIONS OF GLOBAL SHIP LEASE**

*The following discussion of the financial condition and results of operations for Global Ship Lease and Global Ship Lease's Predecessor Group, or the Predecessor Group, should be read in conjunction with Global Ship Lease's combined financial statements and the related notes and the financial and other information included elsewhere in this joint proxy statement/prospectus. The term combined financial statements refers to the combined financial statements of Global Ship Lease, and its subsidiaries, and the Predecessor Group. The term Predecessor Group refers to the container shipping services provided by CMA CGM, and certain of its subsidiaries, using the vessels of Global Ship Lease's initial fleet. CMA CGM and its subsidiaries are in the business of providing container shipping services to shippers and earning revenue by carrying containerized cargo, whereas Global Ship Lease is a vessel owner earning revenue from chartering out its vessels.*

**Overview**

The combined financial statements include:

the carve out financial information reflecting the results and financial position of the 10 secondhand vessels and two newly built vessels (from their dates of purchase by the Predecessor Group) as they were operated by the Predecessor Group, in its business as a container shipping company, for the period up to the dates in December 2007 that CMA CGM transferred the 10 secondhand vessels to Global Ship Lease, and the dates in January 2008 that CMA CGM transferred the two newly built vessels to Global Ship Lease; and

the results and financial position of the 10 secondhand vessels and the two newly built vessels as they were operated by Global Ship Lease, in its business as a vessel owner earning revenue from chartering out vessels, from the dates of the vessels' acquisition in December 2007 and January 2008 by Global Ship Lease from CMA CGM.

Assets, liabilities, revenues and expenses that relate to the Predecessor Group have been included where relevant in the combined financial statements. The shipping interests and other assets, liabilities, revenues and expenses of the Predecessor Group that do not relate to the 12 vessels in Global Ship Lease's initial fleet are not included in the combined financial statements.

The combined financial statements have been prepared in accordance with U.S. GAAP and are presented in United States dollars.

This discussion contains forward-looking statements based on assumptions about Global Ship Lease's future business. Global Ship Lease's actual results will likely differ materially from those contained in the forward-looking statements. See Special Note Regarding Forward-Looking Statements.

**Future Business**

Global Ship Lease acquired the 10 secondhand vessels and two newly built vessels of its initial fleet in December 2007 and January 2008, respectively. Global Ship Lease anticipates growing its fleet through the acquisition of four additional vessels from CMA CGM, including one newbuilding, in December 2008 and one secondhand vessel in July 2009. Global Ship Lease has chartered the 12 vessels in its initial fleet, and will charter the vessels in its contracted fleet, to CMA CGM under fixed-rate time charters, with staggered expirations, for terms that range from five years to 17 years, resulting in a non-weighted average term of 11 years. Each charter commenced or commences on the delivery of the vessels to Global Ship Lease.

Global Ship Lease has also entered into ship management agreements with its Ship Manager for the day-to-day technical management of its vessels. See Global Ship Lease's Ship Manager and management related agreements Management Agreements for a more detailed description of Global Ship Lease's ship management agreements. Prior to Global Ship Lease's purchase of the vessels, the Predecessor Group had been performing the ship management, where relevant, for the vessels in Global Ship Lease's initial fleet.

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Global Ship Lease commenced its business operations on December 2007 with its acquisition of the 10 secondhand vessels from CMA CGM. Global Ship Lease's future operations will differ significantly from the historical operations of the Predecessor Group. The Predecessor Group's historical carve-out financial information included in the combined financial statements is based on the Predecessor Group's historical operations. In particular, Global Ship Lease expects to generate revenues primarily from charter payments made to it by the charterers of Global Ship Lease's vessels and not from freight rates for transporting cargoes, as did the Predecessor Group. Costs will be similarly different. Global Ship Lease believes that its expenses will consist mainly of fees and vessel operating expenses under its ship management agreements as well as general and administrative expenses. Global Ship Lease believes that its charters and fixed fee and capped operating costs arrangements will provide it with a stable cash flow that is sufficient for Global Ship Lease's present operating requirements.

Because Global Ship Lease's operations as shipowner will differ significantly from the business operations of the Predecessor Group as a ship operator, trends or performance that likely had a material effect on the Predecessor Group's revenues will likely have limited direct impact on Global Ship Lease's future revenues, except to the extent that these trends are a result of changing economic conditions in the overall containership industry, which may generally affect the global demand for and the supply of containerships.

Global Ship Lease's financial results will be largely driven by the following factors:

the number of vessels in Global Ship Lease's fleet and their charter rates;

the number of days that Global Ship Lease's vessels are utilized and not subject to drydocking, special surveys or otherwise off-hire; and

Global Ship Lease's ability to control its fixed and variable expenses, including ship management fees, ship operating costs, drydock costs, and general, administrative and other expenses, including insurance. Operating costs may vary from month to month depending on a number of factors, including the timing of purchases of lube oil, crew changes and delivery of spare parts.

Global Ship Lease has entered into long-term fixed rate time charters for all of its vessels. Global Ship Lease expects that its base revenue will be largely fixed until (a) any of its charters terminates and it will need to seek a renewal or recharter at possibly a different rate, or (b) it acquires additional vessels. Global Ship Lease's revenue in a particular quarter will also partly depend on the actual delivery dates of the vessels that it has agreed to purchase from CMA CGM. As discussed further below, operational matters such as off-hire days for planned maintenance or for unexpected accidents and incidents may affect the actual amount of revenues Global Ship Lease receives. Global Ship Lease's shortest time charter agreement is five years and it does not expect to have to obtain new charters for any of the vessels in its initial and contracted fleet before the expiration of each charter. The charterhire rate that it will be able to achieve on renewal will be affected by market conditions at that time as discussed further in "The international containership industry" Ship charter rates.

CMA CGM will initially be Global Ship Lease's only customer and all of the 12 vessels in the initial fleet are, and the five vessels in the contracted fleet will be, chartered to CMA CGM under long-term time charters. These charter payments will be Global Ship Lease's sole source of operating cash flow. At any given time in the future, the cash resources of the initial Charterer may be diminished or exhausted, and Global Ship Lease cannot assure its shareholders that the initial Charterer will be able to make charter payments to it. If the initial Charterer is unable to make charter payments to it, Global Ship Lease's results of operations and financial condition will be materially adversely affected. Currently, Global Ship Lease has good commercial relations with CMA CGM, and CMA CGM believes it will be able to meet its commitments under its charter agreements with Global Ship Lease.

Part of Global Ship Lease's business strategy is to grow its customer base. If Global Ship Lease's existing charters with CMA CGM were terminated, Global Ship Lease believes it could recharter such vessels at rates in today's market at least similar to its existing rates over similar time periods, although it cannot be certain that this would be the case. If market rates decline, and Global Ship Lease was required to recharter at lower rates, its results of operations and financial condition could be materially adversely affected.

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### **Critical Accounting Policies and Estimates**

The combined financial statements have been prepared in accordance with U.S. GAAP, which requires Global Ship Lease to make estimates in the application of certain accounting policies based on its best assumptions, judgments and opinions. Global Ship Lease bases these estimates on the information currently available to it and on various other assumptions it believes are reasonable under the circumstances. The following is a discussion of the principal accounting policies of Global Ship Lease and the Predecessor Group, some of which involve a high degree of judgment, and the methods of their application.

For a further description of Global Ship Lease's material accounting policies, please read notes 1 and 2 to the combined financial statements included elsewhere in this joint proxy statement/prospectus.

### **Combined Financial Statements of the Vessels of Global Ship Lease's Initial Fleet**

The combined financial statements reflect mainly the financial position, results of operations and cash flows of the 10 secondhand vessels of Global Ship Lease's initial fleet as they were operated by the Predecessor Group, in its business as a containership operator, up to the dates that those vessels were acquired by Global Ship Lease from CMA CGM in December 2007 and the two newly built vessels for the period of the Predecessor Group's ownership up to dates in January 2008 when they were also acquired by Global Ship Lease. The relevant financial information has been carved out of the consolidated financial statements of CMA CGM and its subsidiaries. The Predecessor Group's business is as a containership operating company providing cargo transportation services, not as an independent shipowner as Global Ship Lease's business will be. Global Ship Lease believes that the information on these vessels, including their assets, liabilities, results of operations and cash flows, reasonably represent each of those vessels' financial position, results of operations and cash flows for the Predecessor Group. However, the carve-out financial information on those vessels and their financial positions, results of operations and cash flows are not indicative of those that would have been realized had those or all the vessels of Global Ship Lease's initial fleet been operated by it as an independent, stand-alone shipowning entity for the periods presented. The combined financial statements include only approximately 159 ship days in December when the 10 secondhand vessels were owned by Global Ship Lease and operated by it in its business as a vessel owner chartering out its vessels on long-term time charters. Accordingly, the financial position, results of operations and cash flows reflected in the combined financial statements are not indicative of those that would have been achieved had Global Ship Lease's operated as an independent, stand-alone entity for the periods presented or of future results.

### **Revenue Recognition**

Unlike the Predecessor Group, whose revenue is derived from freight revenue generated by cargo transportation services, Global Ship Lease's charter revenue will be generated from long-term time charters for each vessel. The charters provide for a per vessel fixed daily charterhire rate and revenue is recorded as earned. Assuming Global Ship Lease's vessels are not off-hire, Global Ship Lease's charter revenues are fixed and, accordingly, little judgment is required to be applied to the amount of revenue recognition.

### **Vessel Lives**

Vessels represent Global Ship Lease's most significant tangible assets and Global Ship Lease states them in its financial statements at Global Ship Lease's historical cost as carved out from the CMA CGM consolidated financial statements at the dates of transfer, which includes where relevant capitalized interest during construction and other construction, design, supervision and pre-delivery costs less accumulated depreciation. Global Ship Lease depreciates its vessels using the straight-line method over their estimated useful lives. Global Ship Lease reviews the estimate of its vessels' useful lives on an ongoing basis to ensure they reflect current technology, service potential and vessel structure.

On a prospective basis, for accounting purposes, from the date of purchase of the vessels by it, Global Ship Lease estimates the useful life of each of its vessels to be 30 years; whereas the estimated useful life of the

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vessels was 25 years when operated by the Predecessor Group. This change in the estimated useful life reflects the fact that Global Ship Lease is a vessel owner, whereas CMA CGM is a container shipping company. As a vessel owner, with vessels being Global Ship Lease's principal assets, Global Ship Lease anticipates that it will be able to earn revenue from its vessels at least until they are 30 years old. CMA CGM, one of the largest global container shipping companies in the world, considers the useful life of its vessels to be 25 years. This change in estimated useful life period has a positive effect on net income amounting to \$0.1 million for the year ended December 31, 2007. If this change had been reflected in Global Ship Lease's combined financial statements, effective as of January 1, 2007, the positive effect on net income would have been \$2.9 million.

Should certain factors or circumstances cause Global Ship Lease to revise its estimate of vessel service lives in the future, depreciation expense could be materially lower or higher. Such factors and circumstances include, but are not limited to, the extent of cash flows generated from future charter arrangements, changes in international shipping requirements and other factors, many of which are outside of Global Ship Lease's control.

### **Derivative Instruments**

The Predecessor Group entered into bunker derivative agreements to reduce its exposure to cash flow risks from changing bunker prices. In accordance with the requirements of U.S. GAAP, Global Ship Lease has recognized these derivative instruments on its balance sheet at fair value with the changes in the fair value of these derivative instruments recognized in the statement of income or deferred in equity within Accumulated other comprehensive income/(loss) until settlement of the hedge transaction. Global Ship Lease does not expect to enter into such hedging transactions in its future business as bunker costs will be borne by its charterers.

In connection with its credit facility, Global Ship Lease expects that it will enter into interest rate swap agreements to reduce its exposure to cash flow risks from floating interest rates. See Interest Rate Risk for more information about Global Ship Lease's interest rate swap agreements. If Global Ship Lease does so, the swaps may be accounted for as hedging instruments if they are designated as such and are effective in mitigating the risks of changes in interest rates over the term of the debt. As a result, changes in the fair value of the interest rate swaps would be excluded from earnings until settled. If such swaps are not accounted for as hedging instruments, Global Ship Lease will recognize them on its balance sheet at fair value with the changes in the fair value of these derivative instruments recognized in the statement of income or deferred in equity within Accumulated other comprehensive income/(loss) until settlement of the hedge transaction. Global Ship Lease will not hold or issue derivative financial instruments for trading or other speculative purposes.

### **Impairment of Long-lived Assets**

In accordance with SFAS 144 Accounting for the Impairment or Disposal of Long-Lived Assets, Global Ship Lease's long-lived assets are regularly reviewed for impairment. Global Ship Lease performs the impairment valuations at the individual vessel level pursuant to paragraph 10 of SFAS 144.

To determine whether there is an impairment indicator, Global Ship Lease compares the sum of the undiscounted future cash flows resulting from existing charters for each vessel less operating expenses, plus the expected undiscounted residual value of each vessel at the end of the charter, with its book value at the end of each reporting period in order to determine if the book value of such vessel is recoverable. The residual value at the end of the charter is determined taking into account the impact of possible future new charters and/or the eventual disposition of the vessel.

The assumptions used to determine whether the sum of undiscounted cash flows expected to result from the use and eventual disposition of the vessels exceeds the carrying value involve a considerable degree of estimation on the part of Global Ship Lease's management team. Actual results could differ from those estimates, which could have a material effect on the recoverability of the vessels.

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The most significant assumptions used are:

the determination of the possible future new charters, future market values and/or the eventual disposition of each vessel. Estimates are based on market studies and appraisals made by independent shipping analysts and brokers, and assessment by management on the basis of market information, shipping newsletters, chartering and sale of comparable vessels reported in the press. Appraisals are made by independent appraisers, but are not based on a physical inspection of each vessel;

the days on-hire which are estimated at a level consistent with Global Ship Lease's on-hire statistics;

future operating costs; and

the drydock expenses which are estimated based on one drydock every five years.

Whenever the sum of the undiscounted future cash flows resulting from the charter of each vessel less operating expenses plus its expected residual value is above its book value, Global Ship Lease considers that there is no indication of impairment. Whenever the sum of the undiscounted future cash flows resulting from the charter of each vessel less operating expenses plus its expected residual value is below its book value, Global Ship Lease considers that there is a potential impairment and perform a recoverability test.

An impairment loss will be recognized if the carrying value of the vessel exceeds the sum of the discounted cash flows expected to result from the use and eventual disposition of the vessel.

### **Drydocking**

Global Ship Lease's drydocking costs are recognized as a component of the cost of the related vessel depreciated to the date of the next drydocking. Global Ship Lease's vessels are drydocked approximately every five years for major repairs and maintenance that cannot be performed while the vessels are operating. Costs associated with the drydocks will be capitalized as a component of the cost of the relevant vessel as they occur and be amortized on a straight line basis over the period to the next anticipated drydock. Other expenditures relating to maintenance and repairs are expensed when incurred.

Costs capitalized as part of the drydock include costs directly associated with the required regulatory inspection of the ship, its hull and its machinery and for the defouling and repainting of the hull. Any cost of repair to hull or machinery that extends useful life is capitalized. Other repair costs are expensed. In 2007, three vessels of Global Ship Lease's initial fleet were drydocked for a total cost of \$4.7 million.

### **Results of Operations**

#### ***Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007***

Comparison between these two periods is of limited value as operations in the three months ended March 31, 2008 are comprised almost entirely of Global Ship Lease's on-going business of owning and chartering out containerships under time charters, whereas operations in the three months ended March 31, 2007 were comprised entirely of the Predecessor Group earning revenue from the transportation of containerized cargo.

#### ***Total operating revenue***

Time charter revenue of \$21.8 million in three months ended March 31, 2008 reflects income under the fixed rate time charters in effect, including 10 vessels owned for the entire quarter and the two newly built vessels owned since their purchases on January 9 and January 16, 2008. The total number of on-hire days was 1,048 out of 1,067 ownership days resulting in a utilization rate of 98%. Of the 19 off-hire days, 15 were for the planned drydocking of the *MOL Rainbow* and four, representing less than 0.5%, were unplanned. There was no time charter revenue in the comparative prior year period as Global Ship Lease was not established.



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Freight revenue of \$2.1 million in the three months ended March 31, 2008 is the revenue earned by the Predecessor Group in carrying cargo on the two newly built vessels up to the date of sale to Global Ship Lease. Freight revenue at \$77.0 million in the comparative prior year period is significantly higher as it represents the Predecessor Group's freight revenue carrying containerized cargo on the 10 ships owned by it during the three months ended March 31, 2007 that are now owned by Global Ship Lease.

This revenue of \$77.0 million 2007 was split between a revenue of \$43.3 million generated by the CMA CGM fleet, namely *CMA CGM Matisse*, *CMA CGM Utrillo*, *CMA CGM La Tour*, *CMA CGM Manet*, *Ville D Orion* and *Ville d Aquarius* on the Europe to Australia trade for the first four vessels and on the Asia to United States for the last two vessels, while the four Delmas vessels, namely *Kumasi*, *Marie Delmas*, *Julie Delmas* and *MOL Rainbow* generated a revenue of \$33.7 million on the Europe to West Africa trade. *CMA CGM Chateau d If* and *CMA CGM Alcazar* were not in the fleet until the end of 2007 and therefore did not contribute any revenue in the three months ended March 31, 2007.

*Operating expenses*

Operating expenses totaled \$15.3 million for the three months ended March 31, 2008 compared to \$71.0 million in the comparative prior year period. Operating expenses can be analyzed as follows:

*Voyage expenses:* Voyage expenses include items such as costs of bunker fuel, stevedoring, port costs, canal costs and inland transportation. These expenses are associated only with the Predecessor Group's activity of earning freight revenue. Such costs are for the account of the charterer under time charter agreements and are not included in Global Ship Lease's cost base going forward. Voyage expenses in the three months ended March 31, 2008 of \$1.9 million relate only to the two newly built ships for part of January whilst owned by the Predecessor Group whereas voyage expenses of \$58.5 million in the comparative prior year period related to 10 vessels for the entire quarter. These were split between a cost of \$37.2 million for the CMA CGM fleet, or an average of \$6.2 million per vessel while the Delmas fleet had a cost of \$21.3 million, an average of \$5.3 million per vessel. The average voyage expenses of the Delmas fleet are less due to the fact that the North Europe to West Africa route is a shorter route, where vessels also do not incur canal expenses, than the North Europe to Australia route.

*Vessel expenses:* Vessel expenses, which include crew costs, lubricating oils and regular maintenance, associated with time charter revenue in the three months ended March 31, 2008 were \$7.2 million equal to \$6,708 per ownership day. Vessel operating expenses associated with the Predecessor Group's freight revenue were \$0.2 million in the three months ended March 31, 2008 compared to \$5.8 million in the prior period which is substantially higher due to the greater number of ships operated by the Predecessor Group in that period. The six CMA CGM vessels accounted for \$3.5 million while the four Delmas vessels accounted for \$2.3 million. The average cost per ownership day was \$6,491.

*Depreciation:* Depreciation in the three months ended March 31, 2008 associated with time charter revenue was \$4.8 million based on Global Ship Lease's ownership days and \$0.3 million associated with freight revenue based on the ownership of the two newly built vessels by the Predecessor Group. In the comparative prior year period, depreciation accounted for \$3.8 million. This amount was split between \$2.6 million for the six CMA CGM vessels or \$0.4 million per vessel and \$1.2 million for the four Delmas vessels or \$0.3 million per vessel. Depreciation in the three months ended March 31, 2008 was \$1.0 million higher than the comparative prior year period mainly due to the effect of the two newly built vessels included only in the three months ended March 31, 2008 offset by the impact of the application of the 30 year vessel life in that period compared to 25 years in the prior year period.

*General and Administrative:* General and administrative costs incurred in the three months ended March 31, 2008 were \$0.7 million. Approximately \$0.1 million of CMA CGM general and administrative costs were allocated to the two newly built vessels for the period of their ownership by the Predecessor Group. In the comparative prior year period \$2.9 million CMA CGM general and administrative costs were allocated to the 10 vessels owned and operated by the Predecessor Group during that period.

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*Other operating expenses:* For the three months ended March 31, 2008, other operating expense was \$0.3 million and was entirely attributable to the Predecessor Group. In the comparative prior year period, other operating expense was \$0.1 million.

*Operating Income*

As a consequence of all preceding items operating income was \$8.6 million for the three months ended March 31, 2008 compared to \$5.9 million in the comparative prior year period.

*Interest Income*

Interest income in the three months ended March 31, 2008 was \$0.3 million on cash deposits made by Global Ship Lease. There were no such deposits in the prior period.

*Interest Expense*

Interest expense, which is all attributable to time charter revenue, was \$8.2 million for the three months ended March 31, 2008 and arises on Global Ship Lease's fixed rate \$176.9 million shareholder loan and, at floating rates, on \$401.1 million drawing under its \$800 million credit facility. Interest expense in the prior year period was \$2.5 million on borrowings associated with the relevant vessels and was split between \$1.4 million for the six CMA CGM vessels and \$1.1 million for the four Delmas vessels.

*Taxes on Income*

Taxes on income were not material.

*Net Income*

As a consequence of all preceding items net income was \$0.6 million for the three months ended March 31, 2008 compared to \$3.5 million in the prior year period.

***Year Ended December 31, 2007 Compared to Year Ended December 31, 2006***

Global Ship Lease has identified two main operating segments for the year ended December 31, 2007: (1) containerized transportation as performed by the Predecessor Group and (2) operations as vessel owner, Global Ship Lease's future business. All activity in the year ended December 31, 2006 was in containerized transportation by the Predecessor Group. As a result, this review of the Results of Operations is a comparison of the performance of the containerized transportation segment between the years ended December 31, 2007 and 2006, and where relevant, an analysis of the results of the vessel owner segment of Global Ship Lease as an operating company for part of December 2007.

*Total Operating Revenue*

Operating revenue increased 12%, or \$35.5 million, from \$299.6 million in 2006 to \$335.1 million in 2007. \$32.6 million of the increase is related to the period when vessels were owned by the Predecessor Group and \$2.9 million is related to the period after the vessels had been purchased by Global Ship Lease. The \$32.6 million increase in total operating revenue for the period when vessels were under the Predecessor Group's ownership is despite the loss of approximately 160 service days due to the sale of the 10 secondhand ships in the initial fleet to Global Ship Lease in December 2007. The \$32.6 million increase is additional revenue of \$4.5 million earned after the delivery of *CMA CGM Alcazar* in November 2007, improvement on revenue for \$32.7 million on the six CMA CGM ships, mainly related to increases of freight rates out of Asia and to a reduction of \$4.6 million on the four DELMAS ships mainly related to the fact that three of these vessels were drydocked in 2007 losing approximately 40 service days. *CMA CGM Chateau d'If* was delivered to the Predecessor Group on December 27, 2007 and that vessel did not contribute to total operating revenue in the year ended December 31,



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2007. The \$2.9 million revenue in the period after Global Ship Lease purchased the 10 secondhand vessels in December 2007 is the timecharter rates in effect for the total of approximately 160 on-hire days for the 10 vessels in the month.

*Operating Expenses*

Operating expenses increased 21%, or \$53.1 million, from \$251.9 million in 2006 (or 84% of operating revenue) to \$304.9 million in 2007 (or 91% of operating revenue). Out of this amount, \$298.2 million is related to the period when vessels were under the Predecessor Group's ownership, and \$6.7 million is related to the period when the vessels were under Global Ship Lease's ownership. Operating expenses consist of the following items:

*Voyage expenses:* Voyage expenses grew 17% or \$36.3 million, from \$213.1 million in 2006 (or 71% of operating revenue) to \$249.5 million in 2007 (or 74% of operating revenue) despite the reduction in service days of approximately 160 following the sale of the vessels. Voyage expenses are trade related and refer therefore exclusively to the period when vessels were owned by the Predecessor Group. The \$36.3 million increase is related to the introduction of *CMA CGM Alcazar*, an impact of \$4.2 million, to a \$37.1 million, or 34%, increase in voyage expenses relating to CMA CGM vessels, mainly due to a 20% increase in bunker fuel price from \$305 per ton in 2006 to \$352 per ton in 2007, and to a 5%, or \$5.0, million decrease in voyage expenses relating to the Predecessor Group vessels due to the drydock period when three vessels did not incur voyage expenses.

*Vessel expenses:* Vessel expenses increased 6%, or \$1.3 million, from \$22.6 million in 2006 (or 8% of operating revenue) to \$24.0 million in 2007 (or 7% of operating revenue). The increase related to the period when vessels were under the Predecessor Group's ownership accounts for \$0.6 million while the increase related to the period when vessels were under Global Ship Lease's ownership accounts for \$0.7 million representing approximately 159 days in service for all 10 secondhand vessels.

*Depreciation:* Depreciation decreased 3%, or \$0.5 million, from \$16.7 million in 2006 (or 6% of operating revenue) to \$16.1 million in 2007 (or 5% of operating revenue). The addition of the *CMA CGM Alcazar* increased depreciation by \$0.6 million, but this increase is mitigated by the fact that depreciation on two of the vessels was calculated in 2006 in British Pounds, the functional currency of the entity owning the vessels, before being converted to U.S. dollars whilst they were directly depreciated in U.S. dollars following their transfer to a U.S. dollars functional currency entity in 2007. The main impact, however, is related to the revision of the vessels' scrap value due to the steady increase of the price of steel. The prospective change in the vessels' useful lives from 25 to 30-years following the transfer of the 10 vessels of Global Ship Lease's initial fleet accounted for \$0.1 million in this decrease.

*General and Administrative:* General and Administrative expenses grew 57%, or \$6.4 million, from \$11.3 million in 2006 (or 4% of operating revenue) to \$17.8 million in 2007 (or 5% of operating revenue). This increase is split between \$0.9 million increase relating to the period when vessels were owned by the Predecessor Group and to \$5.5 million when vessels were owned by Global Ship Lease. The \$0.9 million increase reflects the addition of the *CMA CGM Alcazar* and a currency translation effect on certain general and administrative costs denominated in Euro while the \$5.5 million under Global Ship Lease's ownership reflects mainly one off costs relating to the establishment of the corporation and the costs of the initial public offering of Global Ship Lease that was postponed in November 2007.

*Other operating expenses/income:* Other operating expenses changed from an income of \$11.9 million in 2006 to an income of \$2.3 million in 2007. The change is related to a change in the valuation of bunker hedges.

*Operating Income*

As a consequence of all preceding items operating income decreased 37%, or \$17.6 million, from \$47.7 million in 2006 to \$30.1 million in 2007.

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### *Interest Income*

Interest income was \$0.2 million (\$0 in 2006) being interest earned on cash deposits made by Global Ship Lease.

### *Interest Expense*

Interest expense decreased 10%, or \$1.5 million, from \$15.1 million in 2006 (or 5% of operating revenue) to \$13.6 million in 2007 (or 4% of operating revenue). Interest expenses relating to the period when vessels were owned by the Predecessor Group accounts for \$12.3 million while the period relating to Global Ship Lease ownership incurred a cost of \$1.3 million. The reduction in interest expenses relating to the period when vessels were owned by the Predecessor Group from \$15.1 million to \$12.3 million is mainly related to (i) debt on *CMA CGM La Tour* and *CMA CGM Manet* being repaid at the end of 2006 and (ii) debt on the eight other secondhand vessels in the initial fleet being repaid during 2007, and certain positive currency translation effects on vessel financings. These positive effects were offset by the write off of unamortized deferred financing costs associated with the repaid debt.

### *Taxes on Income*

The Predecessor Group was not subject to taxes on income for the periods presented by the combined financial statements. Global Ship Lease is exposed to the risk of UK corporate taxation liability based on the operation of its UK service company subsidiary.

### *Net Income*

As a result of all preceding items, net income decreased \$15.9 million or 49% from \$32.7 million in 2006 to \$16.8 million in 2007.

## **Global Ship Lease's Liquidity and Capital Resources**

### *Three months ended March 31, 2008 and 2007*

For the three months ended March 31, 2008 Global Ship Lease's operating activities were comprised almost entirely of the chartering out of vessels under time charters. Net cash provided by operating activities was \$3.9 million reflecting net income of \$0.6 million, depreciation and amortization expense of \$5.2 million, \$0.1 million change in fair value of financial derivative instruments less \$0.4 million payment of drydock costs and \$1.7 million deterioration in net working capital.

For the three months ended March 31, 2007 when the operating activities were comprised exclusively the carrying of containerized cargo by the Predecessor Group, net cash provided by operating activities was \$5.9 million reflecting net income of \$3.5 million, depreciation and amortization expense of \$4.0 million, \$1.9 million change in fair value of financial derivative instruments less \$1.1 million settlement of hedges which did not qualify for hedge accounting, \$1.2 million payment of drydock costs and \$1.1 million deterioration in net working capital.

There was no use of cash for investing activities during the three months ended March 31, 2008 whereas in the prior period \$1.1 million was received for the settlement of hedges.

For the three months ended March 31, 2008 net cash used by financing activities was \$1.5 million including cash in flow of \$188.0 million from the release of cash on restricted deposit which was used to part fund the reduction of \$188.7 million in the amount due to CMA CGM on the purchase of the two newly built vessels from it. In addition there were \$0.3 million further costs associated with the establishment of the credit facility and \$0.5 million deemed distribution to CMA CGM on the purchase of the two newly built vessels in January 2008.

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For the three months ended March 31, 2007 a total of \$7.0 million was used in financing activities comprised \$3.4 million repayment of debt and \$3.6 million reduction in the amount due to CMA CGM.

Overall, the net increase in cash and cash equivalents for the three months ended March 31, 2008 was \$2.4 million compared to \$0 in the prior period.

***Year ended December 31, 2007 and 2006***

During the period covered by the combined financial statements, including both the operation of the vessels of Global Ship Lease's initial fleet by the Predecessor Group and the period after Global Ship Lease's acquisition of those vessels, the principal sources of liquidity were loans secured by the vessels and operating cash flows. In addition, in part to finance Global Ship Lease's purchase of the 10 secondhand vessels in December 2007, Global Ship Lease obtained a shareholder loan from CMA CGM. The remaining financing was provided from drawings under the credit facility. The two newly built vessels purchased in January 2008 were wholly financed by drawings under the credit facility.

For the year ended December 31, 2007, Global Ship Lease's operating activities, largely those of the Predecessor Group until Global Ship Lease's acquisition of the 10 secondhand vessels in December 2007, generated \$56.6 million. This amount reflects net income of \$16.8 million, depreciation and amortization expenses of \$18.3 million, \$9.1 million change in the fair value of financial derivative instruments less payment of drydock costs of \$4.7 million. Improvements in working capital contributed \$17.0 million. In 2006, the Predecessor Group's operating activities for the year generated \$22.8 million. This amount primarily reflects a profit of \$32.7 million, depreciation and amortization expenses of \$16.7 million, less a \$10.0 million change in the fair value of financial derivative instruments settlements of hedges of \$6.9 million and payment of \$1.0 million for drydocks. Changes in working capital in that year negatively impacted the Predecessor Group's cash position by \$9.1 million, mainly related to the fact that the four additional vessels were deployed on a North Europe to West Africa route where payment delays are typically longer.

For the year ended December 31, 2007, net cash used in Global Ship Lease's and the Predecessor Group's investing activities amounted to \$183.8 million, almost entirely being the acquisition of the two newly built vessels for \$183.7 million. In 2006, net cash used in the Predecessor Group's investing activities for the year totaled \$106.3 million, which included \$107.4 million to acquire the four vessels previously owned by Delmas and \$6.9 million received for the settlement of hedges.

For the year ended December 31, 2007, net cash received from Global Ship Lease's and the Predecessor Group's financing activities was \$129.1 million. Drawings under Global Ship Lease's credit facility were \$401.1 million of which \$188.0 million was placed on deposit pending the acquisition of the two newly built vessels in Global Ship Lease's initial fleet in January 2008. A shareholder loan totaling \$176.9 million was received from CMA CGM. Out of these inflows, issuance costs of \$5.9 million for the credit facility were paid and \$146.2 million debt relating to certain vessels when owned by the Predecessor Group was repaid. The remaining cash outflow of \$108.8 million is comprised (i) a reduction of \$11.9 million in the amount due to CMA CGM within stockholders equity and (ii) a deemed distribution of \$96.9 million relating to the difference between the purchase price of the initial fleet paid by Global Ship Lease and the value at which the initial fleet was recorded in the Predecessor Group's financial statements at the dates of sale. In 2006, net cash received from Global Ship Lease's Predecessor Group's financing activities was \$83.5 million. \$57.2 million of that amount was received from the issuance of long-term debt, net of \$0.7 million issuance costs. \$64.6 million of net cash was used for the repayment of capital lease obligations related to the change in financing arrangements for the *CMA CGM La Tour* and *CMA CGM Manet*. Amounts payable to CMA CGM within stockholders equity increased by \$110.0 million largely in connection with the acquisition of the four vessels delivered at the beginning of 2006 and the repayment of the financing of *CMA CGM La Tour* and *CMA CGM Manet*. Repayment of long-term debt totaled \$19.1 million in 2006.

**Table of Contents****Global Ship Lease's Credit Facility**

Global Ship Lease has established an eight year \$800.0 million senior secured revolving credit facility with Fortis Bank (Nederland) N.V., the Agent, Citibank Global Markets Limited, HSH Nordbank AG, Sumitomo Mitsui Banking Corporation, Brussels Branch, KFW and DnB Nor Bank ASA.

Borrowings under the credit facility bear interest at a rate of the margin over one, three, six, nine or 12 month United States Dollar LIBOR, or such other periods as the Agent may agree. The margin will depend on the leverage ratio, which is defined as the aggregate amount outstanding under the credit facility net of surplus cash held in the retention account to the aggregate market value of the vessels securing the credit facility. The charter-free market value of a vessel is calculated semi-annually as the arithmetic average of valuations determined by two independent sale and purchase brokers acceptable to the Agent. Set forth below is the margin that applies to the applicable leverage ratio. Interest is payable at least quarterly.

<b>Leverage Ratio</b>	<b>Margin</b>
Up to 50%	0.75%
Greater than 50% to 60%	0.80%
Greater than 60% to 70%	0.90%
Greater than 70% to 75%	1.10%

During the continuance of any principal or interest default, the margin will increase by 2%.

Global Ship Lease's ability to borrow amounts under its credit facility is subject to the execution of customary documentation, including security documents, satisfaction of certain customary conditions precedent and compliance with terms and conditions included in the loan documents. Subject to meeting certain requirements, Global Ship Lease can borrow under the facility to acquire additional vessels that will be included in the security package. In certain limited circumstances, Global Ship Lease can utilize the credit facility to purchase vessels that will not be required to form part of the security package. In order to draw funds under the credit facility, Global Ship Lease's total borrowings under the credit facility must not exceed 70% of the aggregate charter-free market value of the vessels within the security package.

The credit facility amount will reduce, commencing five years from December 10, 2007, the date of closing of the credit facility, in 12 equal quarterly installments calculated in accordance with the provisions of the credit facility. Global Ship Lease must repay any amount outstanding that is in excess of the newly-reduced maximum credit facility amount. Any amount outstanding under the credit facility at the maturity date must be repaid in one installment.

See Global Ship Lease Credit Facility for further details on Global Ship Lease's credit facility, including a description of the security to be provided, covenants and events of default.

Global Ship Lease financed the purchase of the 10 secondhand vessels in December 2007 with \$213.1 million of borrowings under the credit facility and drawings of \$171.9 million under a shareholder loan made between Global Ship Lease and CMA CGM. In addition, Global Ship Lease drew approximately \$5.0 million under the shareholder loan to pay lenders' fees and expenses in connection with the credit facility bringing the total borrowings under the shareholder loan to \$176.9 million. Prior to December 31, 2007, Global Ship Lease drew a further \$188.0 million under the credit facility, which was placed on restricted cash deposit, in order to pay for the two newly built vessels of Global Ship Lease's initial fleet purchased in January 2008. Total drawings under the credit facility as at December 31, 2007 were \$401.1 million. It is anticipated that the aggregate amount of outstanding borrowings under the Global Ship Lease credit facility upon the closing of the Merger will total between approximately \$186.6 million and \$250.0 million depending on how much cash is available in the trust account to repay outstanding borrowings. This will in turn depend on the number of Marathon stockholders who have opted to convert their shares of common stock for cash from the trust account. The shareholder loan of \$176.9 million is to be cancelled on the closing of the Merger.

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Pursuant to the terms of the merger agreement, \$99.0 million of the total \$355.0 million purchase price of the four vessels of Global Ship Lease's first contracted fleet to be acquired in December 2008 will be prepaid by the issuance of 12,375,000 Class C common shares of GSL Holdings to CMA CGM. The balance of the purchase price of \$256.0 million will be settled by further borrowings under Global Ship Lease's credit facility. Global Ship Lease intends to borrow an additional \$82.0 million under its credit facility to purchase its second contracted fleet in July 2009.

After the closing of the Merger and the purchase of the five ships in Global Ship Lease's contracted fleet, the total anticipated drawings from Global Ship Lease's credit facility will be \$524.6 million assuming no conversions and without giving effect to the starting dividend, resulting in \$275.4 million of undrawn credit facility capacity which Global Ship Lease believes will be fully available to fund future ship purchases, for working capital, and for other corporate expenses.

Global Ship Lease's net cash flows from operating activities correspond directly with the number of vessels under charter, days on-hire, vessel charter rates, operating expenses, drydock costs and general and administrative expenses. Global Ship Lease's net cash flows from operating activities will not be exposed to the same fluctuations in operating expenses to which the Predecessor Group's cash flows were subject. Pursuant to Global Ship Lease's ship management agreements, Global Ship Lease has agreed to pay its Ship Manager an annual management fee of \$114,000 per vessel and it will reimburse its Ship Manager for operating costs it incurs on Global Ship Lease's behalf up to a quarterly cap pursuant to the global expense agreement (other than drydocking expenses and insurance premiums which will not be subject to the cap). Global Ship Lease will collect its charterhire 15 days in advance and pay its estimated ship management costs monthly in advance. Although Global Ship Lease can provide no assurances, it expects that its cash flow from its chartering arrangements will be sufficient to cover its ship management costs and fees, interest payments, commitment fees and other financing costs under its credit facility, insurance premiums, vessel taxes, general and administrative expenses and other costs and any other working capital requirements for the short and medium term and planned drydocking expenses. Based on such arrangements, Global Ship Lease expects that its operating cash flow will be stable for at least the initial three year terms of the ship management agreements and will be sufficient to fund its working capital requirements.

Under the terms of Global Ship Lease's credit facility, it may not pay dividends if there is a continuing default under the credit facility, if the payment of the dividend would result in a default or breach of any other loan covenant or if Global Ship Lease's payments into a pledged retention account are not fully up to date. Furthermore, it is probable that the market value of Global Ship Lease's vessels will decrease over time, as vessels generally decrease in value as they age. In addition to depreciation, the market value of Global Ship Lease's vessels can fluctuate substantially depending on market supply and demand for vessels. Consequently, the ratio of Global Ship Lease's outstanding borrowings under its credit facility relative to the asset value of its vessels will likely increase, which will negatively affect Global Ship Lease's ability to comply with its financial ratio covenants. This, in turn, will impact Global Ship Lease's ability to pay dividend payments. In addition, in December, 2012, five years from the date of the closing of the credit facility, the amounts available for borrowing will be permanently reduced. Therefore, unless Global Ship Lease is able to obtain other financing or funding sources or refinance borrowings under Global Ship Lease's credit facility with new indebtedness that has a later maturity date, then in December 2012, five years after the closing of the Merger, the amount of cash that Global Ship Lease will have available to pay as dividends in any period may be decreased by the amount of any principal repayments that Global Ship Lease is required to make.

Over the five years following the closing of the Merger, Global Ship Lease estimates that the average cost of the first drydocking of each of the 17 vessels of its initial and contracted fleet will be \$940,000. Global Ship Lease has included a schedule of the next anticipated drydocking date for each of Global Ship Lease's vessels in the section of this joint proxy/prospectus entitled "Inspection by Classification Societies."

If necessary, Global Ship Lease may fund its working capital requirements or vessel acquisitions with borrowings under its credit facility (subject to the restrictions set forth therein). Global Ship Lease's longer term

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liquidity requirements include repayment of the principal balance of its credit facility. In addition to funds retained in the business, Global Ship Lease will require new borrowings, issuances of equity or other securities, or a combination of the former and the latter to meet this repayment obligation.

**Contractual Obligations**

The contractual obligations presented in the two tables below represent Global Ship Lease's estimates of future payments under fixed contractual obligations and commitments as of March 31, 2008, first without giving effect to the transactions contemplated in the merger agreement and second after giving effect to the transactions contemplated by the merger agreement. Changes in Global Ship Lease's business needs or in interest rates, as well as actions by third parties and other factors, may cause these estimates to change. These estimates are necessarily subjective and Global Ship Lease's actual payments in future periods are likely to vary from those presented in the table.

<b>Contractual Obligations without Merger</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>(in millions of U.S. dollars)</b>				
Long-term debt obligations <sup>(1)</sup>	\$ 401.1	\$	\$	\$	\$ 401.1
Interest on long-term debt obligations <sup>(2)</sup>	9.1				9.1
Ship management agreements <sup>(3)</sup>	1.5	3.5	0.5		5.5
Asset purchase agreement <sup>(4)</sup>	355.0	82.0			437.0
Shareholder loan <sup>(5)</sup>	176.9				176.9
Shareholder loan interest <sup>(6)</sup>	4.7				4.7
	\$ 949.8	\$ 85.5	\$ 0.5		\$ 1,035.8

<b>Contractual Obligations with Merger</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>(in millions of U.S. dollars)</b>				
Long term debt obligations <sup>(1)</sup>	\$	\$	\$	\$ 524.6	\$ 524.6
Interest on long term debt obligations <sup>(7)</sup>	16.0	40.7	46.2	55.5	158.4
Ship management agreements <sup>(3)</sup>	1.5	3.5	0.5		5.5
Asset purchase agreement <sup>(4)</sup>	355.0	82.0			437.0
Shareholder loan <sup>(8)</sup>					
Shareholder loan interest <sup>(6)</sup>	3.9				3.9
	\$ 376.4	\$ 126.2	\$ 46.7	\$ 580.1	\$ 1,129.4

- (1) Global Ship Lease will not assume any of the Predecessor Group's debt relating to the vessels in Global Ship Lease's initial and contracted fleet. Amounts shown in the first table reflect debt and interest payable to Fortis Bank (Nederland) N.V., or Agent, Citibank Global Markets Limited, HSH Nordbank AG, Sumitomo Mitsui Banking Corporation, Brussels Branch, KfW and DnB Nor Bank ASA, under Global Ship Lease's \$800.0 million credit facility outstanding as of March 31, 2008. Interest on the outstanding portion of Global Ship Lease's credit facility will be charged at the rate of the margin over one, three, six, nine or 12 month LIBOR as determined by the Agent. During the continuance of any principal or interest default, the margin will increase by 2%. Global Ship Lease expects that interest on the balance outstanding will be payable at least quarterly. In the first table, Global Ship Lease has reflected the amount due under the credit facility as due in less than one year consistent with the presentation in the combined financial statements. In the second table, the calculation of the level of debt assumes that there is no conversions of common stock and includes the effect of the financing of the contracted fleet.
- (2) The estimated contractual interest obligation has been calculated using an assumed interest rate of 4.20% up to September 30, 2008, the date by which the credit facility is required to be renegotiated should the Merger not have occurred. The commitment fee payable on the undrawn amount of the credit facility is also included up to September 30, 2008.



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- (3) Obligations under Global Ship Lease's ship management agreements are based on the assumptions that (a) Global Ship Lease pays the Ship Manager only the annual management fee of \$114,000 per vessel and does not include the reimbursement of costs incurred on Global Ship Lease's behalf and (b) Global Ship Lease's first contracted fleet will be delivered in December 2008, and Global Ship Lease's second contracted fleet will be delivered in July 2009.
- (4) Global Ship Lease expects to acquire (a) the three secondhand vessels and one newbuilding of Global Ship Lease's first contracted fleet in December 2008 and (b) the one secondhand vessel of Global Ship Lease's second contracted fleet in July 2009. In the event that Global Ship Lease does not purchase any vessel from CMA CGM or certain of its subsidiaries, Global Ship Lease's contractual obligations payable under this item will be correspondingly reduced. The purchase prices of the individual vessels of Global Ship Lease's contracted fleet are as follows (in millions): *Hull 4.126* (\$154.0), *CMA CGM Jamaica* (\$67.0), *CMA CGM Sambhar* (\$67.0), *CMA CGM America* (\$67.0) and *CMA CGM Berlioz* (\$82.0). See Related Party Transactions Asset Purchase Agreement. \$99.0 million of the purchase price of the four vessels anticipated to be delivered in December 2008 is to be prepaid by the issuance at the closing of the Merger of 12,375,000 Class C common shares of GSL Holdings.
- (5) The shareholder loan from CMA CGM is repayable on 30 days notice or upon the completion of the Merger.
- (6) The shareholder loan bears interest at an all-in rate of 5.25%.
- (7) The estimated contractual interest obligation has been calculated using an assumed interest rate of 4.20%. The commitment fee payable on the undrawn amount of the credit facility is also included.
- (8) Pursuant to the merger agreement, Global Ship Lease will cease to have any obligation under the shareholder loan from CMA CGM upon completion of the Merger, although interest will be paid at 5.25% until the completion of the Merger.

**Ability to Pay Dividends**

The Merger will create three classes of common shares. For the third quarter of 2008, GSL Holdings intends to pay a quarterly dividend of \$0.18 per share to only Class A shareholders.

The dividend policy of the company is to make distributions to its stockholders out of available cash flow, rather than net income, after all relevant cash expenditures, including cash interest expense on borrowings that finance operating assets, cash income taxes and after an allowance for the cash cost of future drydockings but not including deductions for non-cash items including depreciation and amortization and changes in the fair values of financial instruments, if any. Based on the first quarter of 2008 pro forma earnings before depreciation and amortization, GSL Holdings is expected to have the ability to pay the proposed amounts.

GSL Holdings' preliminary calculations indicate that approximately (i) 35 to 40% of the dividends anticipated to be paid in 2008 will represent a return of capital and (ii) 60 to 70% of the dividends anticipated to be paid in 2009 and 2010 will represent a return of capital.

The table below analyzes GSL Holdings' ability to pay the proposed dividend amounts on its Class A common stock based on the pro forma financial information for the quarter ended March 31, 2008. Under three of the four scenarios (maximum conversions/fully diluted, maximum conversions/basic and no conversions/basic), GSL Holdings has sufficient cash from operations. Under the no conversions/fully diluted scenario, there is a shortfall. GSL Holdings believes that the likelihood of such shortfall occurring during this period is low because warrants and other convertible securities are typically not exercised significantly in advance of their expiration date (August 2010).



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	<b>Three months ended March 31, 2008</b>	
	<b>No conversions</b>	<b>Maximum conversions</b>
	(\$ thousands)	
Pro forma net income	6,758	6,057
Adjustment for non cash items		
Depreciation and amortization	5,743	5,743
Reverse accretion of earnings for intangible liabilities (1)	(1,302)	(1,302)
Reverse charge for equity incentive awards (2)	488	488
	11,687	10,986
Allowance for future dry dock (3)	(700)	(700)
Cash from operations available for dividends	10,987	10,286
<b>Weighted average number of Class A common shares outstanding</b>		
No conversions (4)		
Basic	52,255,450	
Fully diluted	62,701,774	
Maximum conversions (4)		
Basic	44,252,284	
Fully diluted	54,698,608	
<b>Dividend per common share per quarter (\$)</b>	<b>0.18</b>	
<b>Total dividend</b>		
Basic	9,406	7,965
Fully diluted	11,286	9,846
<b>Surplus/(shortfall)</b>		
Basic	1,581	2,321
Fully diluted	(299)	440

- (1) Reversal of accretion to earnings for the amortization of the intangible liability established as a result of the Merger to record the effect of below market leases. See note O.
- (2) Reversal of the pro forma charge for equity incentive awards which are not expected to give rise to a cash expense in the quarter. See note T.
- (3) In determining cash available from operations for the payment of dividends, it is the intention of the board of directors to set aside an amount estimated to cover anticipated cash costs of future drydockings to manage what would be otherwise potentially substantial and volatile effects on quarterly cashflow as the costs of drydocking are significant (an average of \$940 per ship) and at five yearly intervals with timing largely determined by the relevant regulatory rules.
- (4) The pro forma financial information is presented with no conversion of common stock into cash and also on the basis of maximum conversion of 19.99% (or 8,003,166 shares) of common stock into cash.

There can be no assurance that GSL Holdings will pay regular quarterly dividends in the future. For additional information on the dividend policy of GSL Holdings after the consummation of the Merger, see Dividend Policy.

In addition to its regular dividend payments, shortly after the consummation of the Merger, GSL Holdings intends to pay a starting dividend of \$0.18 per Class A common share. The declaration of the dividend is expected to occur shortly after the consummation of the Merger.

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### **Quantitative and Qualitative Disclosures About Market Risk**

#### ***Interest Rate Risk***

Global Ship Lease is exposed to the impact of interest rate changes primarily through its floating-rate borrowings under Global Ship Lease's credit facility. Significant increases in interest rates could adversely affect Global Ship Lease's results of operations and its ability to service its own debt. The Predecessor Group did not enter into interest rate swap agreements to reduce its exposure to cash flow risks from changing interest rates.

In connection with Global Ship Lease's credit facility, it will enter into interest rate swap agreements to reduce its exposure to market risks of variable interest rates. The swaps will be accounted for as hedging instruments if for accounting purposes they are expected to be effective in mitigating the risks of changes in interest rates over the term of the debt and if they meet all U.S. GAAP requirements. As a result, changes in the fair value of the interest rates swap are excluded from earnings until settled.

Counterparties to these financial instruments expose Global Ship Lease to credit-related losses in the event of non-performance; however, counterparties to these agreements will be major financial institutions, and Global Ship Lease considers the risk of loss due to non-performance to be minimal. Global Ship Lease will not require collateral from these institutions. Global Ship Lease will not issue interest rate swaps for trading purposes.

#### ***Sensitivity Analysis***

Global Ship Lease's analysis of the potential effects of variations in market interest rates is based on a sensitivity analysis, which models the effects of potential market interest rate changes on Global Ship Lease's financial condition and results of operations. The following sensitivity analysis may have limited use as a benchmark and should not be viewed as a forecast as it does not include a variety of other potential factors that could affect Global Ship Lease's business as a result of changes in interest rates.

Without applying the effect of any interest rate swap arrangements that Global Ship Lease may enter into in connection with Global Ship Lease's credit facility, and based on borrowings under the credit facility and ignoring cash on deposit as of March 31, 2008 without giving effect to the Merger or taking into account the purchase of the contracted fleet, a hypothetical 1% increase in LIBOR would have the impact of reducing Global Ship Lease's net income, before income taxes, by approximately \$4.0 million.

The interest rate swaps agreements that Global Ship Lease may enter into in connection with the credit facility minimize the risks associated with Global Ship Lease's variable rate debt under its credit facility. Global Ship Lease expects that these interest rate swaps will significantly reduce the additional interest expense that could be caused by upward changes in variable market interest rates.

#### ***Foreign Currency Exchange Risk***

The shipping industry's functional currency is the United States dollar. All of Global Ship Lease's revenues and the majority of Global Ship Lease's operating costs are in United States dollars. In the future, Global Ship Lease does not expect to be exposed to any significant extent to the impact of changes in foreign currency exchange rates. Consequently, Global Ship Lease does not presently intend to enter into derivative instruments to hedge the foreign currency translation of assets or liabilities or foreign currency transactions nor to use financial instruments for trading or other speculative purposes.

#### ***Inflation***

With the exception of rising costs associated with the employment of international crews for Global Ship Lease's vessels and the impact of the price of lube oil costs, Global Ship Lease does not believe that inflation has had or is likely, in the foreseeable future, to have a significant impact on vessel operating expenses, drydocking expenses and general and administrative expenses.

#### ***Off-Balance Sheet Arrangements***

Other than the commitments described above, debt instruments and interest rate swaps, Global Ship Lease does not have any other transactions, obligations or relationships that could be considered material off-balance sheet arrangements.



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### **Recent Developments**

On March 21, 2008, Global Ship Lease entered into the merger agreement with Marathon, GSL Holdings and CMA CGM pursuant to which Marathon will merge with and into GSL Holdings, its newly-formed, wholly owned Marshall Islands subsidiary, and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc. As a result of the Merger, each holder of a share of Marathon common stock issued and outstanding immediately prior to the effective time of the Merger will receive Class A common shares of GSL Holdings, except that Marathon Founders, LLC and other initial stockholders will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares; and CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. The Merger is expected to be completed during the third quarter of 2008, pending stockholder and warrant holder approval and there can be no assurance that the business combination will be consummated. Please see The Merger Agreement.

### **Subsequent Developments**

Immediately prior to the Merger, Global Ship Lease will enter into an amendment and restatement of the asset purchase agreement with CMA CGM and certain of its vessel-owning subsidiaries pursuant to which Global Ship Lease will purchase five additional vessels from CMA CGM with expected deliveries in December 2008 and July 2009 for an aggregate purchase price of \$437 million, of which \$99 million will be deemed to be prepaid by the consideration paid to CMA CGM in the Merger. Please see Other Transaction Agreements Asset Purchase Agreement and Acquisition of Initial and Contracted Fleet of Global Ship Lease Asset Purchase Agreement.

Immediately prior to the Merger, the applicable subsidiaries of Global Ship Lease will enter into amended and restated charter agreements with CMA CGM pursuant to which CMA CGM will charter the Global Ship Lease vessels. The terms of the amended and restated agreements are substantially the same as the current agreements and will reflect an increase in the charter rates for eight vessels of the initial fleet as of April 1, 2008. The charter agreements to be entered into at the time of delivery of the vessels in the contracted fleet will also reflect an increase in the charter rates as initially contemplated by CMA CGM and Global Ship Lease. The aggregate amount of the increased charter rates will be \$3.6 million per year. Please see Other Transaction Agreements Amended and Restated Charter Agreements and Global Ship Lease Business Time Charters.

Immediately prior to the Merger, the applicable subsidiaries of Global Ship Lease will enter into amended and restated ship management agreements with CMA Ships, a wholly owned subsidiary of CMA CGM, pursuant to which CMA Ships will provide a variety of ship management services, including purchasing, crewing, vessel maintenance including arranging drydocking inspections and ensuring compliance with flag, class and other statutory requirements necessary to support Global Ship Lease's business. The terms of the amended and restated agreements are substantially the same as those in the current agreements. Please see Other Transaction Agreements Amended and Restated Ship Management Agreements and Global Ship Lease Business Time Charters.

Immediately prior to the Merger, Global Ship Lease and CMA CGM will enter into amended and restated guarantees under which each will guarantee the obligations of each of its subsidiaries, as applicable, under the charter agreements and ship management agreements. Please see Other Transaction Agreements Amended and Restated Ship Guarantees, Global Ship Lease Business Time Charters and Ship Manager and Management Related Agreements of Global Ship Lease Ship Management Agreements.

Immediately prior to the Merger, Global Ship Lease will enter into an amended and restated global expense agreement with CMA CGM pursuant to which Global Ship Lease will reimburse the ship managers for operating

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expenses incurred under the ship management agreements. The terms of the amended and restated agreement are substantially the same as those in the current agreement. Please see [Other Transaction Agreements](#), [Amended and Restated Ship Guarantees](#) and [Ship Manager and Management Related Agreements of Global Ship Lease](#), [Ship Global Expense Agreement](#).

Immediately prior to the Merger, Global Ship Lease will enter into a transitional services agreement with CMA CGM pursuant to which CMA CGM will provide general administrative and support services to Global Ship Lease upon its request. Please see [Other Transaction Agreements](#), [Transitional Services Agreement](#) and [Global Ship Lease Business](#), [Transitional Services Agreement](#).

**Table of Contents****THE INTERNATIONAL CONTAINERSHIP INDUSTRY**

The information and data in this section relating to the international containership industry has been provided by Drewry Shipping Consultants (Drewry), and is taken from Drewry databases and other sources available in the public domain. Drewry has advised us that it accurately describes the international containership industry, subject to the availability and reliability of the data supporting the statistical and graphical information presented. Drewry's methodologies for collecting information and data, and therefore the information discussed in this section, may differ from those of other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the containership industry.

**Overview**

The maritime transportation industry is a vital link in international trade, with oceangoing vessels representing the most efficient, and often the only, means of transporting large volumes of commodities, semi-manufactured goods and finished products. Seaborne cargo is categorized as either dry or liquid. Dry cargo includes container cargo, dry bulk cargo and other dry non-container cargo, while liquid cargo includes oil, refined oil products, liquefied gases and chemicals. Container cargo is shipped primarily in 20-foot or 40-foot containers and includes a wide variety of raw materials, commodities, semi manufactured goods and finished products. In 2007, approximately 1,272 million tons of container cargo was moved by sea, representing 389 million TEU of loaded container port movements. Dry bulk cargo includes, among other things, iron ore, coal and grain, other agricultural products, minerals, cement and forest and metal products. Other non-container cargo includes dry cargo that cannot be shipped in a container due to size, weight or handling requirements, such as large manufacturing equipment or large industrial vehicles.

The following table illustrates the breakdown of the global trade by type of cargo in 2007:

**World Seaborne Trade (2007)**

	Tons (Millions)	% Total
Dry Bulk	2,975	33.2
Liquid	3,881	43.4
Container Cargo	1,272	14.2
Non-Container/General Cargo	820	9.2
<b>Total</b>	<b>8,948</b>	<b>100.0</b>

Source: Drewry

**Container Shipping**

Container shipping was first introduced in the 1950s and since the late 1960s has become the most common method for transporting many industrial and consumer products by sea. Container shipping is performed by container shipping companies who operate frequent scheduled or liner services, similar to a passenger airline, with pre-determined port calls, using a number of owned or chartered vessels of a particular size in each service to achieve an appropriate frequency and utilization level.

Container shipping occupies an increasingly important position in world trade and it is the fastest growing sector of international shipping, benefiting from a shift in cargo transport towards unitization as well as from changes in world trade. The 2007 container shipping volume increased by nearly 11.5% from 2006. This growth has been sustained by general increases in world trade, increased global sourcing and manufacturing and continuing penetration of the general cargo market. Container shipping companies have also shown a trend to

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charter an increased percentage of their fleets from third party owners on competitive long-term charters as opposed to purchasing vessels outright. This is primarily due to the continued strong growth in capacity demand, container shipping companies' capital constraints and increased requirements for flexibility in fleet deployments to optimize changing service demands.

In 2007, approximately 1.27 billion tons of containerized cargo was transported by sea, comprising 14% of all seaborne trade (in tonnage), representing an increase of 161.7% compared to 1997, when 486 million tons of cargo was carried in containers. In the period from 1997 to 2007, the average annual increase in trade based in terms of tons of containerized cargo carried has been approximately 10.1%, compared with 4.6% for all types of cargo transported by sea.

### **World Container Cargo ( 000 Tons)**

*Source:* Drewry

Container shipping has a number of advantages compared with other shipping methods, including:

*Less Cargo Handling.* Containers provide a secure environment for cargo. The contents of a container, once loaded into the container, are not directly handled until they reach their final destination. Using other shipping methods, cargo may be loaded and discharged several times, resulting in a greater risk of breakage and loss.

*Efficient Port Turnaround.* With specialized cranes and other terminal equipment, containerships can be loaded and unloaded in significantly less time and at lower cost than other cargo vessels.

*Highly Developed Intermodal Network.* Onshore movement of containerized cargo, from points of origin, around container ports, staging or storage areas and to final destinations, benefits from the physical integration of the container with other transportation equipment such as road chassis, railcars and other means of hauling the standard-sized containers. A sophisticated port and intermodal industry has developed to support container transportation.

*Reduced Shipping Time.* Containerships can travel at speeds of up to 25 knots per hour, even in rough seas, thereby transporting cargo over long distances in relatively short periods of time. This speed reduces transit time and facilitates the timeliness of regular scheduled port calls, compared to general cargo shipping.

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The containers used in maritime transportation are steel boxes of standard dimensions. The standard unit of measure of volume or capacity in container shipping is the 20-foot equivalent unit or TEU, representing a container which is 20-foot long, and typically 8.5 feet high and 8 feet wide. A 40-foot long container is equivalent to two TEU. There are specialized containers of both sizes to carry refrigerated perishables or frozen products as well as tank containers that carry liquids such as liquefied gases, spirits or chemicals.

A container shipment begins at the shipper's premises with the delivery of an empty container. Once the container has been filled with cargo, it is transported by truck, rail or barge to a container port, where it is loaded onto a containership. The container is shipped either directly to the destination port or through an intermediate port where it is transferred to another vessel, an activity referred to as trans-shipment. When the container arrives at its destination port, it is off-loaded and delivered to the receiver's premises by truck, rail or barge.

### **Containership Demand**

Global container trade has increased every year since the introduction of long haul containerized shipping routes in the late 1960s. Its growth is primarily driven by the growth of economic output and consumption, increases in global sourcing and changes in patterns of world trade. Therefore, container trade growth is in part dependent on levels of economic growth and regional/national GDP. GDP serves as the best indicator of prospective container volumes.

Inexpensive and reliable containerized transport has facilitated manufacturing and distribution processes that have accompanied globalization allowing manufacturing to move away from traditionally high cost production areas, such as Japan, West Europe and North America, to lower cost production areas, such as China. There has been little or no impact on the quality of the distribution process to the primary consumer markets. As an illustration of the relative low cost of containerized transportation, many technologically advanced countries are exporting component parts for assembly in other countries and re-importing the finished products. Manufacturers have also focused more on just-in-time delivery methods, which is facilitated by the fast transit times and frequent, reliable services offered by container line operators and the intermodal industry.

The container shipping industry has exhibited high demand growth with a compound annual growth rate in volume terms (as measured in TEU capacity) of approximately 10% over the period from 1997 through 2007. This growth represents a multiple of approximately three times the growth in world GDP over the same period. The high growth rate was mainly due to the following factors:

increases in world trade;

increases in global sourcing and manufacturing; and

continuing penetration by containerization of traditional shipping sectors, such as bulk and refrigerated cargo markets.

Operators have shifted away from traditional methods of transporting general cargo and refrigerated perishables towards containerization, as more ports around the world introduce container handling technology and as container shipping productivity becomes more widely recognized.

In addition to the effect of general economic conditions, there are several structural factors that also impact global container trade, and may cause the demand for containerships to continue to rise even in periods of economic stagnation. Investment in port and canal infrastructure has often not been sufficient to keep up with global container demand growth with a consequence that there is congestion in some parts of the transportation chain. Congestion increases ships' time in transit and reduces overall efficiency. Also, as the largest containerships are deployed in the major trade routes, incremental tonnage is required to feed cargo to these mother ships from ports that either do not have the volume or the infrastructure to be able to serve very large vessels directly. Congestion and increasing trans-shipment absorbs additional ship capacity for no overall growth in the container market.



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World container port throughput, a measure of the level of activity of the container shipping industry, is made up of three different traffic streams: loaded containers, empty containers and trans-shipment containers (full and empty). The following chart shows world container trade in terms of both loaded and empty container movements through ports globally. In the period from 1997 to 2007, port movements of loaded containers rose from 142 million to 389 million TEU, an increase of 174%.

**World Containership Port Throughput including Empty Containers  
and Trans-shipments (Million TEU)**

*Source:* Drewry

Regional trends in container port throughput in the period from 2001 to 2007 are shown in the table below. In total, world throughput of loaded, empty and trans-shipment containers increased from 248 million TEU in 2001 to 493 million TEU in 2007, equivalent to an increase of 99%, or a compound annual growth rate of 12%.

Regionally, the Far East and South East Asia accounted for 49% of global port throughput in 2007, compared with the other major markets of West Europe and North America. Collectively, these four regions accounted for 78% of all container port throughput in 2007.

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**Global Port Throughput including Empty Containers  
and Trans-shipments (Million TEU)**

	2001	2002	2003	2004	2005	2006	2007*
North America	31.2	34.2	37.5	40.8	44.2	46.9	48.8
West Europe	52.8	57.7	63.4	70.7	76.9	82.8	92.1
North Europe	32.0	34.5	37.5	41.9	46.1	51.0	57.1
South Europe	20.8	23.3	25.9	28.8	30.8	31.8	35.0
Asia	75.2	87.6	105.4	124.7	140.1	154.2	177.0
South East Asia	36.9	41.1	45.7	51.6	54.6	59.7	66.9
Mid-East	12.3	13.7	16.0	19.8	22.6	24.3	26.9
Latin America	18.8	19.2	21.4	24.7	27.2	31.8	35.2
Caribbean/Central America	10.4	10.4	11.5	12.9	13.9	16.6	18.4
South America	8.4	8.8	9.9	11.8	13.3	15.2	16.8
Oceania	5.3	6.0	6.5	7.3	7.52	7.9	8.6
South Asia	5.9	6.6	7.3	8.5	9.4	11.5	13.7
Africa	7.6	8.5	10.3	11.4	12.4	15.5	17.0
Eastern Europe	1.5	1.9	2.4	3.2	4.4	5.3	6.6
<b>World</b>	<b>247.5</b>	<b>276.6</b>	<b>316.0</b>	<b>363.0</b>	<b>339.4</b>	<b>440.0</b>	<b>492.8</b>

\* Data will be subject to further change as reported figures are amended by original source providers.

Source: Drewry

There are three core, or arterial, trade routes in the container shipping industry: the Transpacific, Transatlantic and Asia-Europe. These routes are often referred to as the East/West trades. Trade along the East/West routes is primarily driven by United States and European consumer demand for products made in Asia. Supporting these core routes are the North/South routes and a network of regional routes that include the Intra-Asia market, which is the largest in the world. Drewry estimates the Intra-Asia market to be over 41.8 million TEU, or 8.5% of global port throughput in 2007. Other regional routes include Europe/Mediterranean, Caribbean/United States, Europe/South America, Asia/Australia and North America/South America routes. Different routes are usually served by vessels of different sizes as determined by the size of the trade, required service frequency and physical constraints of the ports visited.

The East/West routes are higher volume and longer and, as a result, are generally served by the larger containerships known as Intermediate, Panamax, Post-Panamax and Very Large. The Intra-Asia and North/South trade routes are generally served by smaller containerships, Feeder, Handysize, Intermediate and Panamax, and regional routes are generally served by Feeder, Handysize and Intermediate. The following table shows the trade routes on which different sizes of containerships are likely to be suitable to trade:

**Containerships (Typical Deployment by Size Category)**

Trade Route	Feeder	Handysize	Intermediate	Panamax	Post-Panamax	Large/Very Large
TEU	<1,000	1,000-1,999	2,000-2,999	3,000-4,999	5,000-7,999	8,000+
East/West Routes			X	X	X	X
Intra-Asia	X	X	X	X		
North/South Routes	X	X	X	X		
Intra-Regional Routes	X	X	X			

Source: Drewry



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The chart below shows the growth, in volume, of the three East/West trades from 2000 to 2007. These trades constitute approximately 9.0% of global port throughput, with Intra-Asia, as noted above, at 41.8 million TEU in 2007 being another 8.5%.

**East/West Container Trade Routes**

(Thousand TEU)

*Source:* Drewry

The process of globalization, China's entry into the World Trade Organization in 2001 and the subsequent boom in cheap manufacturing has fueled global economic development and demand. As a result, almost all trade routes with the Far East have experienced significant annual growth in container traffic in the past five years.

For example, the Far East/Mediterranean trade volume grew to 5.4 million TEU in 2007 from 4.5 million TEU in 2006, which was an increase of 20.4%. Many liner services previously combined North Europe and Mediterranean calls on one service, but due to increased demand there is now a distinction in the market place. Similarly, trade from the Far East to the Mid-East, Africa (West and South) and the East Coast of South America has increased substantially in recent years as trade links with China have increased. Traditional buying patterns have also changed, and West African consumers, for example, now buy cheaper consumer goods from China rather than from Europe, which was the traditional trading partner.

Volumes on the North/South and regional trades are more difficult to chart, but the trend is one of continued growth in most sectors. With more free trade deals being signed within the Asian region, intra-Asian trade is also set to increase. Because there are so many individual trade routes and the level of trans-shipment is high, exact growth is difficult to track, but is generally estimated to be approximately 10% on an annualized basis for the trades within and from Asia.

The table above also highlights the difference in volumes between the headhaul and backhaul trades, meaning the volume moved eastbound and westbound, with the imbalance being as much as three-to-one in the dominant direction. Container traffic is unbalanced on many global trade routes and in some cases the gap is widening. While continued growth in the headhaul direction is encouraging, the imbalance impacts supply, the level and pace of newbuilding and ocean freight rates in the backhaul trades. The reason for the imbalance in backhaul trades is the divide between export-dominated and import-dominant countries for containerized goods, which is largely related to the shift of manufacturing to low cost countries. This trend is set to continue.

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### **Containership Supply**

Containerships are typically cellular, which means they are equipped with metal guide rails to allow for rapid loading and unloading, and provide for more secure carriage. Partly cellular containerships include roll-on/roll-off vessels or ro-ro ships and multipurpose ships which can carry a variety of cargo including containers. Containerships may be geared, which means they are equipped with cranes for loading and unloading containers, and thus do not need to rely on port cranes. Geared containerships are typically 2,500 TEU and smaller. All large containerships are fully cellular and call at ports with adequate shore-based loading and unloading equipment and facilities.

While new investment has tended to concentrate on building gearless vessels for the larger trade routes and as port infrastructure improves, geared vessels are still very important for regional trade lanes and areas such as West Africa, the eastern coast of South America and certain Asian regions, including Vietnam and Indonesia, where port infrastructure may be poor or, in some cases, non-existent.

Because many geared ships operating in the intra-Asia arena are now quite old, there may be a shortage of such vessels at some stage in the mid-term as many of these ships are likely to be scrapped in the next few years and will need to be replaced by newbuildings.

As of May 31, 2008, the world fleet of fully cellular containerships consisted of 4,477 vessels totaling 11.2 million TEU in nominal capacity. These figures exclude multipurpose and ro-ro vessels with container carrying capability.

The non-weighted average age of container ships currently in service, as of May 31, 2008, was 11.0 years. For ships below 500 TEU, the non-weighted average age figure was 21.3 years and for ships above 8,000 TEU the non-weighted average age was 1.2 years. The latter figure reflects the recent trend to build ever larger containerships. The average size of container vessels in service in 1997 was 1,590 TEU, but by May 2008 the average size had increased to 2,504 TEU. Average size will continue to rise due to the number of large container vessels on order. Indeed, the average size of container vessels on order as of May 2008 was 4,797 TEU. The total fleet has grown rapidly to meet the growth in demand and in capacity terms has increased by 200% between the end of 1997 and May 2008.

*Source: Drewry*

**Table of Contents****World Cellular Containership Fleet by Size (as of May 31<sup>st</sup>, 2008)**

	Size (TEU)	No.	TEU (Thousand)
Feeder	<1,000	1,244	729
Handy-size	1,000-1,999	1,196	1,690
Intermediate	2,000-2,999	688	1,736
Panamax	3,000-4,999	735	2,900
Post Panamax	5,000-7,999	442	2,639
Large	8,000-7,999	160	1,369
Very Large	10,000+	12	148
	<b>Total</b>	<b>4,477</b>	<b>11,212</b>

Source: Drewry

Although the container shipping industry has exhibited high demand growth, the financial performance of traditional charter owners and container shipping companies has been cyclical due to periodic imbalances in the supply of containerships and the demand for container shipping services. In May 2008, the containership newbuilding orderbook in terms of TEU size was equivalent to 57% of the existing cellular containership fleet. However, delivery of this orderbook will take almost four years which results in an annual growth rate of approximately 15%, which is close to recent growth rates in global containerized trade. If demand growth is not at a level sufficient to absorb this additional capacity (net of ship scrappings, congestion and changes in the pattern of world trade that absorb additional capacity), there may be oversupply which would typically cause freight rates to fall. In turn, this could reduce the financial performance of container shipping companies. Oversupply will also typically cause ship charter rates to fall, in particular in the short term charter market. This decline could then affect the results of charter owners. If demand growth catches up with, and then exceeds, supply growth (due either to higher demand growth from increased economic activity or a reduction in supply growth as the order book is delivered and new orders are placed at a lower rate), the cycle turns with a shortage of capacity driving up freight and charter rates.

Several factors affect the pace of new ordering, notably the relative strength of the market and forecasted growth mainly on headhaul legs, the price of newbuildings and the availability of building slots at suitable shipyards.

Many major containership operators are concentrating on investments in large and very large containerships (8,000 TEU+) and this sector alone currently accounts for a third by capacity of all current container ship orders. Since Maersk deployed the first 10,000 TEU+ vessels in the Far East/Europe trade in 2006, further orders for vessels of similar size and larger have followed from some of the largest container operators.

**Containership Orderbook by Size (as of May 31<sup>st</sup>, 2008)**

Size Category	TEU	Number of Vessels	Capacity (Thousand TEU)	Orderbook Per cent. Existing Fleet	Per cent. of Total Orderbook
Very Large	10,000+	186	2,234	1507.7	34.3
Large	8,000-9,999	111	952	69.5	14.6
Post Panamax	5,000-7,999	169	1,044	39.5	16.0
Panamax	4,000-4,999	310	1,274	43.9	19.6
Intermediate	2,000-3,999	151	388	22.4	6.0
Handy-size	1,000-1,999	271	391	23.1	6.0
Feeder	<1,000	135	112	15.3	1.7
Total		1,333	6,513	57.0	100.0

Source: Drewry

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*Source:* Drewry

**Major Operators**

The following table shows the relative size of the fleets of the world's top 20 container ship operators by capacity. Maersk is by far the world's largest ocean operator in terms of vessel capacity. In recent years, Mediterranean Shipping (MSC) and CMA CGM have grown to become the second and third largest operators, respectively. In addition, the two Chinese operators, Cosco and China Shipping have also expanded capacity. While there are still in excess of 500 liner companies, many of which are small regional and niche players, the top 10 carriers account for 65% of all global capacity and the top 20 account for 88%, up from approximately 66% in early 2005 due to consolidation and disproportionate organic growth largely related to the dramatic increase in exports from China.

**Table of Contents****Container Line Vessel Capacity (as of February 29, 2008)**

<b>Company</b>	<b>Ranking</b>	<b>TEU</b>	<b>Vessels</b>	<b>Capacity Share %</b>
Maersk	1	1,781,257	497	16.4%
Mediterranean Shipping	2	1,233,335	370	11.4%
CMA CGM	3	855,054	343	7.9%
Evergreen	4	628,898	180	5.8%
Hapag-Lloyd	5	495,588	140	4.6%
Cosco Container Lines Ltd	6	441,237	147	4.1%
China Shipping	7	418,751	120	3.9%
APL	8	403,759	119	3.7%
NYK	9	396,945	121	3.7%
Orient Overseas Container Line	10	360,179	88	3.3%
Hanjin Shipping	11	332,180	76	3.1%
Mitsui OSK Lines	12	323,729	103	3.0%
K Line	13	298,122	93	2.7%
Zim	14	288,713	115	2.7%
Yang Ming	15	273,356	83	2.5%
Compania Sud Americana de Vapores	16	260,722	87	2.4%
Hamburg Sud	17	207,359	79	1.9%
Hyundai Merchant Marine	18	206,899	46	1.9%
Pacific International Lines	19	168,598	104	1.6%
Wan Hai Lines	20	133,105	76	1.2%
Others		1,344,214	1,394	12.4%
<b>Total Fleet</b>		<b>10,852,000</b>	<b>4,381</b>	<b>100.0%</b>

In the container shipping sector, consolidation has occurred for several reasons, including the achievement of economies of scale, gaining or strengthening a market position in a particular region and acquiring a fleet of appropriately sized vessels. Major acquisitions in the last few years include AP Moller-Maersk's purchase of P&O Nedlloyd and Safmarine, and Hapag-Lloyd's acquisition of CP Ships. CMA CGM has acquired several operators including Delmas and OTAL and most recently a Taiwanese operator, Cheng Lie Navigation.

Evergreen has bought Lloyd Triestino. MSC's growth however, has largely been organic, as has that of both Cosco and China Shipping. Another trend of recent years has been the emergence of regional Asian players into the big league, which include PIL and Wan Hai. Both have traditionally been intra-Asian specialists, but each has invested in Panamax and Post-Panamax tonnage to enter the Far East/Europe, Transpacific and Far East/East Coast South America and African trades.

Although over the years the major containership operators have been instrumental in ordering new ships leading to growth in the world fleet, non-operator owners have also played a major part in fleet growth. Non-operators charter out their vessels to operators rather than operating them directly, and in turn this satisfies a growing trend among major operators to charter-in vessels. Non-operators are often referred to as owners or charter owners and include companies such as Seaspan and Danaos and those established under the mainly tax driven German KG scheme.

Outright vessel ownership carries certain benefits in terms of providing base capacity at stable, and perhaps lower, cost over the life of a vessel and long-term assets to support their balance sheets, but chartering-in provides an operator with greater flexibility, effective outsourcing of ship management and, depending on market conditions, short term cost savings along with reduced capital requirements. Container shipping companies continue to increase their use of chartered-in vessels to add capacity in their existing trade routes or establish new trade routes.



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Charter owners have also played a part in the recent investment in new container ships, especially ships smaller than 4,500 TEU, where there is an active market for charter periods ranging up to three years or more. An active charter market for larger vessels of Panamax and Post-Panamax size is also developing however, where charter periods are often for longer durations.

The trend among the major container operators to charter-in tonnage has grown in recent years. In February 2008, chartered-in ships accounted for approximately 50% of the capacity of the top 10 container shipping companies. Just over a decade ago in 1997 it was estimated to be below 30%.

**Container Freight Rates**

The following table shows the average container freight rate per TEU on the core East/West trade lanes: Transpacific, Far East/Europe and Transatlantic. Terminal handling charges and intermodal rates, where applicable, are included. In general, container freight rates are impacted mainly by the balance between supply of and demand for container shipping services and rates move with changes in this balance. Annual changes can be quite volatile and the decline in freight rates in 2001-2002 leading to a downturn in the global liner shipping industry was caused by a slow down in demand growth which was only 4% measured in tons. This slow growth in 2001 to 2002, combined with a larger increase in capacity at the time, resulted in over-capacity. When trade volumes picked up, freight rates increased accordingly during the period from 2003 to 2005, before declining again in 2006. In 2007 however, rates staged a small recovery on the back of stronger growth in trade volumes.

**Container Rates for East/West Routes (\$/TEU)**

[CHART]

*Source:* Drewry

Although the relationship between supply and demand sets the tone for the freight rate environment, other factors, including market sentiment also play a part. Indeed, in recent years the relationship between supply and demand and its impact on freight rates has become less clear. For example, in 2006 headhaul demand remained strong on the Far East/Europe and Transpacific trades, but freight rates still declined partly because the major acquisitions of P&O Nedlloyd and CP Ships by the AP Moller Group and Hapag-Lloyd respectively unsettled the market and created short-term decreases in charter rates due to increased competition for business.

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Predatory pricing can also be a factor in some trade routes and often, when ocean carriers start a new service in a small trade lane, the immediate reaction is for spot freight rates to fall as existing carriers protect their market share.

**Average Container Rates for East/West Routes 2000-2007**

	\$/TEU	Change yoy
2000	1,421	2.6%
2001	1,269	-10.7%
2002	1,155	-9%
2003	1,352	17.1%
2004	1,455	7.6%
2005	1,492	2.6%
2006	1,402	-6.1%
2007	1,437	2.5%

Source: Drewry

Freight rates for specialized cargo including refrigerated products normally carry a premium due to increased costs of transportation and more expensive equipment such as temperature controlled containers. Many surcharges, including bunker fuel, congestion, currency adjustment, peak season and heavyweight are standard practice in the industry and these are normally paid in addition to the basic port to port ocean freight.

**Ship Charter Rates**

The same factors that drive freight rates also affect charter rates. The growth in demand for container shipping and the increasing trend among major container operators to charter-in tonnage have generally increased demand pressure and over time have caused an increase in time charter rates.

**Period Averages of One Year Containership Time Charter Rates (\$ per Day)**

TEU	1,500 Geared	2,500 Geared	3,500 Gearless
2000	11,625	17,869	24,025
2001	9,475	13,938	19,325
2002	7,188	10,326	14,431
2003	11,741	17,833	23,666
2004	20,200	26,500	31,575
2005	25,275	29,825	30,350
2006	16,492	20,496	25,075
2007	15,775	21,336	27,479
May 2008	17,500	29,125	30,600

Source: Drewry

With some exceptions, time charter rates for all vessel sizes increased steadily from 2002 into 2005, in some cases rising by as much as 50%, as charter markets experienced significant growth; demand for vessels was largely instigated by the growth in the volume of exports from China. In 2006, time charter rates weakened due to supply rising faster than demand and also market perception. This trend continued in 2007 for certain vessel sizes, although in certain instances, time charter rates increased in 2007, as the supply in the container shipping market tightened once more. Further increases have also been seen in the first two months of 2008.

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The following chart indicates quarterly average rates for smaller vessels from 2000 to May 2008.

*Source:* Drewry

**Containership Newbuilding Prices**

Newbuilding prices have risen steadily since 2002, owing to a shortage in newbuilding capacity during a period of high ordering and increased shipbuilders' costs as a result of rising raw material prices, mainly steel. Shipyards in South Korea, Japan and China appear to be at capacity through to 2010, and in certain shipyards beyond that date. Since early 2006, longer delivery dates have contributed to a slowdown in new ordering across all sectors, which has led to some moderation in newbuilding prices. The following chart indicates average newbuilding prices from 2000 to May 2008.

*Source:* Drewry

**Table of Contents****Containership Secondhand Prices**

Values are primarily driven by supply and demand for vessels. During extended periods of high demand, as evidenced by high charter rates, vessel values tend to appreciate and vice versa. However, vessel values are also influenced by age and specification and by the replacement cost (newbuilding price) in the case of vessels up to five years old.

**Containership Secondhand Prices (\$ Millions)**

Source: Drewry

Values for younger vessels tend to fluctuate less on a percentage not a nominal basis than values for older vessels. This is attributed to the finite life of vessels which makes the price of younger vessels with a commensurably longer remaining economic life less susceptible to the level of prevailing and expected charter rates, while prices of older vessels are influenced more since their remaining economic life is limited.

Vessels are usually sold through specialized brokers who report transactions to the maritime transportation industry on a regular basis. The sale and purchase market for vessels is therefore transparent and liquid, with a large number of vessels changing hands on an annual basis.

**Containership Secondhand Prices for Five-Year-Old Vessels (\$ Millions)**

TEU	Geared 1,500	Geared 2,500	Gearless 3,500	Gearless 4,000
2000	19.3	27.3	33.4	35.9
2001	18.9	27.4	32.5	37.0
2002	15.1	24.0	28.1	36.3
2003	17.2	26.3	31.8	31.8
2004	26.5	38.5	43.3	54.3
2005	30.0	49.6	55.0	59.5
2006	29.8	40.2	44.5	48.4
2007	35.9	46.5	57.0	63.0
May 2008	42.0	46.9	57.0	63.0

Source: Drewry

Along with rising newbuilding prices and a strong charter market in 2003, 2004 and in the first half of 2005, prices for secondhand vessels increased. In 2005, secondhand prices for some five-year-old ships were close to newbuilding prices because shipowners were paying premiums for modern and immediately available vessels. However, in 2006 values decreased as a result of the downturn in the freight market, only to rebound again in 2007, with further increases taking place in the first few months of 2008.

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**GLOBAL SHIP LEASE BUSINESS**

**General**

Global Ship Lease is a Republic of the Marshall Islands corporation formed on May 3, 2007 to establish a business of owning a fleet of modern containerships of diverse sizes and chartering them out under long-term, fixed-rate charters to reputable container shipping companies to generate stable cash flow. All of the vessels in its initial and contracted fleet will be time chartered to CMA CGM for terms between five and 17 years equal to a non-weighted average term of 11 years. Global Ship Lease intends to grow its fleet through vessel acquisitions, charter these vessels out, further increase its distributable cash flow per share and pay regular quarterly dividends to its shareholders.

Global Ship Lease entered into an asset purchase agreement with CMA CGM and certain of its vessel-owning subsidiaries in October 2007 to acquire, inter alia, 10 secondhand vessels and two newly built vessels. Global Ship Lease refers to these 12 containerships collectively as its initial fleet. Its initial fleet has an aggregate capacity of 36,322 TEU, had a weighted average age of 5.3 years and a non-weighted average age of 5.8 years at delivery. The asset purchase agreement was subsequently amended in December 2007 to adjust the payment method of the purchase price.

At the closing of the Merger, the asset purchase agreement will be further amended and enables Global Ship Lease to acquire four secondhand vessels and one newbuilding with an aggregate capacity of 29,975 TEU, a weighted average age of 3.5 years and a non-weighted average age of 3.5 years upon delivery. Global Ship Lease refers to these five vessels collectively as its contracted fleet. Three of the secondhand vessels and the newbuilding are expected to be delivered in December 2008 and the other secondhand vessel is expected to be delivered in July 2009. In this joint proxy statement/prospectus, we refer to the asset purchase agreement, as amended in December 2007 and as anticipated to be amended at the closing of the Merger, as the asset purchase agreement.

Upon completion of the acquisition of its initial and contracted fleet, Global Ship Lease will own a modern fleet of containerships ranging in sizes from 2,207 TEU to 10,960 TEU, with an average TEU capacity of approximately 3,900. Its initial and contracted fleet will have an aggregate capacity of 66,297 TEU, a weighted average age of 5.3 years and a non-weighted average age of 5.8 years upon delivery of all of its vessels, which Global Ship Lease expects to occur in July 2009.

CMA CGM, a French corporation, is the third largest container shipping company in the world, operating a fleet of 393 ships with a total capacity of 935,975 TEU as of March 31, 2008.

In February 2008, Drewry estimated that world container traffic (measured in TEU capacity) may grow by 10.1% in 2008, and may continue to grow at a similar high rate thereafter. According to Drewry, container shipping companies have been chartering-in increased portions of their fleets from third party owners on long-term charters as opposed to purchasing vessels outright; this trend is primarily due to the continued strong growth in capacity demand, combined with container shipping companies' capital constraints and increased requirements for flexibility in fleet deployments to optimize changing service demands. Chartered-in vessels accounted for approximately 50% of the top 10 container shipping companies' capacity in February 2008, compared to less than 30% in 1997. Global Ship Lease believes that it is well-positioned to capitalize on this trend by offering container shipping companies competitive charters of newbuildings and secondhand vessels to either grow their fleet or to replace owned or other vessels with long-term chartered vessels. Recent high oil prices have forced container operators to decrease vessel operating speeds in order to conserve fuel and make vessels more fuel efficient. This trend has had the impact of increasing the number of ships required to provide the same level of service. In addition, growth in emerging markets and the development of new trade routes such as Asia-Eastern Europe, Asia-Middle East and Intra-Asia have also been positive drivers of increased demand for vessel capacity.

Each of the members of Global Ship Lease's senior management team has a professional background in the shipping industry. Ian J. Webber, its Chief Executive Officer, has over 12 years of experience in the shipping

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industry, Susan J. Cook, its Chief Financial Officer, has 15 years of experience in the shipping industry and Thomas A. Lister, its Chief Commercial Officer, has 15 years of experience in liner shipping and ship finance.

Global Ship Lease's management team undertakes all management of, and strategy for, its initial and contracted fleet and supervises the day-to-day ship management of its vessels which is currently provided by, or under the responsibility of, CMA Ships, a wholly owned subsidiary of CMA CGM. Each ship management agreement has a term of three years, but may be terminated after the first year if an alternative manager meeting certain criteria is retained at lower cost. For its services, the Ship Manager receives an annual management fee of \$114,000 per vessel. Global Ship Lease will also reimburse the Ship Manager for operating expenses incurred by it on Global Ship Lease's behalf, up to a quarterly cap. The global expense agreement establishes the quarterly cap and the Ship Manager will bear the amount of operating expenses incurred on its behalf in excess of a quarterly cap. Drydocking expenses and insurance premiums are not subject to the quarterly cap.

**Global Ship Lease's Fleet**

Pursuant to the asset purchase agreement, Global Ship Lease has acquired an initial fleet of 10 secondhand vessels and two newly built vessels, and will acquire a first contracted fleet comprised of three secondhand vessels and one newbuilding expected to be delivered in December 2008 and a second contracted fleet comprised of one secondhand vessel, expected to be delivered in July 2009.

The aggregate purchase price for its initial fleet was \$573.0 million. Global Ship Lease financed its initial fleet with borrowings under its credit facility and a shareholder loan from CMA CGM (which will be cancelled upon the Merger). The aggregate purchase price for the vessels of its contracted fleet is \$437.0 million, of which \$99.0 million is deemed prepaid pursuant to the Merger. Global Ship Lease expects to finance the balance of the purchase price of the vessels in its contracted fleet with borrowings under its credit facility.

Global Ship Lease's initial fleet consists of 12 containerships, including two newly built vessels, with an aggregate capacity of 36,322 TEU and had a weighted average age of 5.3 years and a non-weighted average age of 5.8 years at delivery. Its contracted fleet has an aggregate capacity of 29,975 TEU, a weighted average age of 3.5 years and a non-weighted average age of 3.5 years upon delivery. Upon delivery of its contracted fleet, its initial and contracted fleet will have an aggregate capacity of 66,297 TEU and, as of that time, a weighted average age of approximately 5.3 years and a non-weighted average age of 5.8 years. All vessels in its initial and contracted fleet will be time chartered to CMA CGM for terms ranging from five to 17 years and a non-weighted average charter period of 11 years.

The following chart provides information about the initial and contracted fleet:

Vessel Size	As of March 31, 2008	In December 2008	In July 2009
2,207 TEU	4	4	4
2,262 and 2,272 TEU	4	4	4
4,113 TEU	2	2	2
4,045 TEU	0	2	2
4,298 TEU	0	1	1
5,100 TEU	2	2	2
6,627 TEU	0	0	1
10,960 TEU	0	1	1
<b>Total Number of Vessels</b>	<b>12</b>	<b>16</b>	<b>17</b>
<b>Aggregate Capacity (TEU)</b>	<b>36,322</b>	<b>59,670</b>	<b>66,297</b>

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The table below provides additional information about Global Ship Lease's initial and contracted fleet, including the current owners of the vessels:

Vessel Name	Size (TEU)	Year Built	Current Owner	Classification Society
<b>Initial Fleet:</b>				
<i>Ville d Orion</i>	4,113	1997	Global Ship Lease	Bureau Veritas
<i>Ville d Aquarius</i>	4,113	1996	Global Ship Lease	Bureau Veritas
<i>CMA CGM Matisse</i>	2,262	1999	Global Ship Lease	Bureau Veritas
<i>CMA CGM Utrillo</i>	2,262	1999	Global Ship Lease	Bureau Veritas
<i>MOL Rainbow</i>	2,207	2003	Global Ship Lease	Bureau Veritas
<i>Julie Delmas</i>	2,207	2002	Global Ship Lease	Bureau Veritas
<i>Kumasi</i>	2,207	2002	Global Ship Lease	Bureau Veritas
<i>Marie Delmas</i>	2,207	2002	Global Ship Lease	Bureau Veritas
<i>CMA CGM La Tour</i>	2,272	2001	Global Ship Lease	Bureau Veritas
<i>CMA CGM Manet</i>	2,272	2001	Global Ship Lease	Bureau Veritas
<i>CMA CGM Alcazar</i>	5,100	2007	Global Ship Lease	Bureau Veritas
<i>CMA CGM Château d Iff</i>	5,100	2007	Global Ship Lease	Bureau Veritas
<b>First Contracted Fleet:</b>				
<i>Hull 4.126 (Newbuilding)</i>	10,960	2008	Not applicable	Bureau Veritas
<i>CMA CGM Jamaica</i>	4,298	2006	CONTI 39. Container Schiffahrts-GmbH & Co. KG MS CONTI MARSEILLE	Germanischer Lloyd
<i>CMA CGM Sambhar</i>	4,045	2006	CONTI 41. Container Schiffahrts-GmbH & Co. KG MS CONTI NICE	Lloyd's Register
<i>CMA CGM America</i>	4,045	2006	CONTI 42. Container Schiffahrts-GmbH & Co. KG MS CONTI NANTES	Lloyd's Register
<b>Second Contracted Fleet:</b>				
<i>CMA CGM Berlioz</i>	6,627	2001	CMA CGM	Bureau Veritas

**Global Ship Lease's Competitive Strengths**

Global Ship Lease believes that it possesses a number of competitive strengths that will allow it to capitalize on the growth opportunities in the containership shipping industry, including the following:

*Stable cash flows based on long-term, fixed-rate charters with staggered expirations.* All of the vessels in its initial and contracted fleet are, or upon delivery to Global Ship Lease will be, subject to long-term, fixed-rate charters ranging from five to 17 years with a non-weighted average charter period of 11 years. As a result, its revenues have long-term stability and are protected from the volatility of the spot market and short-term charter rates. In addition, Global Ship Lease believes that the staggered expirations of its charters reduce its exposure to the risk of having to re-charter in what might be a volatile charter market. Global Ship Lease expects to have relatively stable operating costs and expenses until at least 2010 because of its fixed fee and capped operating cost arrangements under its ship management agreements and the global expense agreement.

*Modern and diverse fleet.* Upon expected delivery of all the vessels of its initial and contracted fleet in July 2009, Global Ship Lease's fleet will have a weighted average age of approximately 5.3 years and a non-weighted average age of 5.8 years compared to a

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non-weighted average age for the world containership fleet, as of February 29, 2008, of 11 years. Its initial and contracted fleet has been, and the newbuilding will be, built to established standards by reputable shipyards, including Hanjin,



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Daewoo and the China Shipbuilding Corporation. Global Ship Lease believes that owning a modern and consistently maintained fleet reduces the number of off-hire days, decreases operating costs, improves safety and provides Global Ship Lease with a competitive advantage in securing future employment for its vessels. The vessels in its initial and contracted fleet will range in capacity from 2,207 TEU to 10,960 TEU, with an average TEU capacity of approximately 3,900. In addition, eight of the ships in its fleet are geared. This diversity in its fleet will allow its vessels to operate on different trading routes and offer increased flexibility in the re-charter market. Its fleet will also include five sets of sister ships with similar design specifications, which will provide Global Ship Lease with certain efficiencies in crew training and lower inventory and maintenance expenses.

*Financial strength and flexibility.* Global Ship Lease entered into an \$800 million credit facility to finance, in part, the acquisition of its initial and contracted fleet. After payment for its initial and contracted fleet, Global Ship Lease expects to have \$274.3 million of undrawn availability under its credit facility. Global Ship Lease believes that these available funds, together with its policy of retaining a portion of its cash flows for re-investment, will allow Global Ship Lease to make accretive vessel acquisitions.

*Experienced management team.* Global Ship Lease's management team has an aggregate of over 40 years of experience in the international container shipping industry and long-term relationships with many companies and individuals in the industry. Global Ship Lease will be able to capitalize on this experience and relationships to identify future acquisitions and charter opportunities and expand its customer base.

Although Global Ship Lease believes that it possesses the foregoing competitive strengths, Global Ship Lease faces a number of business challenges that may affect its profitability, including, but not limited to, its limited operating history, the implications of the size of the containership newbuilding orderbook compared to the current existing fleet and how that will affect the industry's perception of the modernness of its vessels in its initial and contracted fleet and how the volatile credit market will affect its ability to secure future sources of financing. Please see "Risk factors" for a more detailed discussion of the risks associated with its business.

### **Global Ship Lease's Business Strategies**

Global Ship Lease will seek to increase distributable cash flow per share by following certain business strategies. The key elements of its strategy are:

*Make accretive acquisitions of vessels.* Global Ship Lease intends to increase the size of its fleet beyond its initial and contracted fleet through acquisitions of newbuildings and secondhand vessels. Global Ship Lease expects to have financial flexibility under its credit facility to purchase additional vessels to increase distributable cash flow per share. Acquisitions will be analyzed based on whether they meet targeted return thresholds and are accretive to cash flow in addition to meeting GSL Holdings' portfolio diversification requirements in terms of vessel size, charter term and charterer.

*Expand its customer relationships.* Global Ship Lease intends to add additional container shipping companies as customers. As container shipping companies continue to increase their use of chartered-in vessels to add capacity in their existing trade routes or establish new trade routes, Global Ship Lease believes the long-term relationships that management has with container shipping companies will enhance its ability to secure new customers and diversify its revenue base.

*Focus on long-term, fixed-rate charters.* Global Ship Lease's business strategy is to enter into long-term, fixed-rate charters with reputable container shipping companies, which will provide Global Ship Lease with stable future cash flows. According to Drewry, container shipping companies are growing or reconfiguring their fleets by acquiring vessels on long-term charters and Global Ship Lease believes that its focus on competitively priced, long-term, fixed-rate charters will position Global Ship Lease well to secure additional charters.

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*Maintain a modern and diverse fleet.* Global Ship Lease believes that its ability to maintain and increase its customer base will depend largely on the quality and diversity of its fleet and cost efficient operations and cost of capital allowing Global Ship Lease to price long-term charters competitively. Global Ship Lease believes that owning a modern fleet reduces operating costs, improves safety and provides Global Ship Lease with a competitive advantage in securing future employment for its vessels. Global Ship Lease also believes the different sizes of the ships in its fleet, which includes five sets of sister ships, and the fact that eight are geared, will be attractive to container shipping companies, allowing them to consider its vessels for a variety of trade routes.

*Continue to outsource ship management services.* Global Ship Lease intends to outsource its ship management services. Currently the day-to-day technical management of its fleet is provided by CMA Ships, a wholly owned subsidiary of CMA CGM. As of March 31, 2008, CMA CGM managed 106 container vessels that it owned in its 393-vessel fleet varying in capacity from 100 TEU to 9,415 TEU. Global Ship Lease will monitor the Ship Manager to ensure its fleet is well managed at comparable terms compared to other third party technical managers and Global Ship Lease has the right to terminate the ship management agreements after the first anniversary under certain circumstances including being able to find a lower cost provider. As it expands its fleet, Global Ship Lease intends to outsource its ship management services for its vessels to third parties.

*Maintain financial strength and flexibility.* Global Ship Lease intends to preserve its financial strength and flexibility, initially through \$275.4 million available undrawn capacity under its \$800 million credit facility, so that it will be able to fund its capital expenditures, take advantage of market conditions and pursue expansion opportunities.

Global Ship Lease can provide no assurance that it will be able to implement its business strategies described above. Global Ship Lease urges you to consider carefully all the factors set forth in Risk factors.

## **Time Charters**

The following is a summary of the material terms of the time charters for Global Ship Lease's initial fleet. The form of Global Ship Lease's time charters has been filed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part. You can also obtain copies of these charters by following the instructions under Where You Can Find Additional Information.

## **General**

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel owner provides crewing and other services related to the vessel's operation, the cost of which is included in the daily rates. The initial Charterer is responsible for substantially all of the vessel's voyage costs, such as fuel and cargo handling charges. Each of the vessels in its initial and contracted fleet is subject to a long-term time charter with CMA CGM, although up to May 31, 2008, four vessels were chartered to one of CMA CGM's wholly owned subsidiary companies, Delmas. Global Ship Lease has separate subsidiaries to own each individual vessel in its initial and contracted fleet. Global Ship Lease will guarantee the obligations of each of its subsidiaries under the charters and CMA CGM will guarantee any accrued liabilities and obligations of its subsidiary, Delmas, which previously chartered vessels from Global Ship Lease, up to the date Delmas ceased being a charterer, such guarantee to be released on January 3, 2009.

**Table of Contents****Initial Term**

Each of Global Ship Lease's charters is long-term and commences on a vessel's delivery. Due to different delivery dates and terms, its charters will expire on different dates and over a period of time. Global Ship Lease believes the staggered expirations of its charters will reduce its exposure to re-chartering risk upon expiration of its initial long-term charters and may mitigate the impact of any downturn in the container shipping industry. The charters have initial terms of five to 17 years and its initial and contracted fleet together will have a non-weighted average charter period of 11 years. The basic charter periods for its fleet are as follows:

<b>Vessel Name</b>	<b>Commencement of Charter</b>	<b>Charter Period (Years)</b>
<b>Initial Fleet:</b>		
<i>Ville d Orion</i>	December 2007	5
<i>Ville d Aquarius</i>	December 2007	5
<i>CMA CGM Matisse</i>	December 2007	9
<i>CMA CGM Utrillo</i>	December 2007	9
<i>MOL Rainbow</i>	December 2007	10
<i>Julie Delmas</i>	December 2007	10
<i>Marie Delmas</i>	December 2007	10
<i>Kumasi</i>	December 2007	10
<i>CMA CGM La Tour</i>	December 2007	9
<i>CMA CGM Manet</i>	December 2007	9
<i>CMA CGM Alcazar</i>	January 2008	13
<i>CMA CGM Château d If</i>	January 2008	13
<b>First Contracted Fleet:</b>		
<i>Hull 4126 (Newbuilding)</i>	December 2008 (expected)	17
<i>CMA CGM Jamaica</i>	December 2008 (expected)	14
<i>CMA CGM Sambhar</i>	December 2008 (expected)	14
<i>CMA CGM America</i>	December 2008 (expected)	14
<b>Second Contracted Fleet:</b>		
<i>CMA CGM Berlioz</i>	July 2009 (expected)	12
<b>Daily Rate</b>		

Daily rate refers to the basic payment by the initial Charterer to the owner for the use of the vessel. Under all of its time charters, hire is payable to Global Ship Lease in advance every 15 days in United States dollars. The daily rate is a fixed daily amount that will remain the same for the duration of the charter. In certain circumstances the charter rate can increase. Under the global expense agreement, CMA CGM has agreed, effective as of the fourth year of each charter agreement, to compensate Global Ship Lease, for any vessel in its initial and contracted fleet, by the amount by which actual operating costs per day (excluding any drydock costs and insurance premiums) are greater than \$500 over a specified amount, which specified amount is based on projected costs over the life of each charter, provided more than 50% of such increase is attributable to crew and lubricating oil costs, such compensation not to exceed \$500 per day per vessel.

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The following chart shows the daily hire rate that CMA CGM has agreed to pay for each vessel which includes an increase of \$65 per day for the eight 2200 TEU vessels from April 1, 2008:

<b>Vessel Name</b>	<b>Daily Hire Rate</b>
<b>Initial Fleet:</b>	
<i>Ville d Orion</i>	\$ 21,500
<i>Ville d Aquarius</i>	\$ 21,500
<i>CMA CGM Matisse</i>	\$ 17,965
<i>CMA CGM Utrillo</i>	\$ 17,965
<i>MOL Rainbow</i>	\$ 17,965
<i>Julie Delmas</i>	\$ 17,965
<i>Marie Delmas</i>	\$ 17,965
<i>CMA CGM La Tour</i>	\$ 17,965
<i>CMA CGM Manet</i>	\$ 17,965
<i>Kumasi</i>	\$ 17,965
<i>CMA CGM Alcazar</i>	\$ 33,250
<i>CMA CGM Château d If</i>	\$ 33,250
<b>First Contracted Fleet:</b>	
<i>Hull 4126 (Newbuilding)</i>	\$ 46,700
<i>CMA CGM Jamaica</i>	\$ 24,850
<i>CMA CGM Sambhar</i>	\$ 24,850
<i>CMA CGM America</i>	\$ 24,850
<b>Second Contracted Fleet:</b>	
<i>CMA CGM Berlioz</i>	\$ 33,500
<b>Operations and Expenses</b>	

As owner, Global Ship Lease will maintain each vessel in class and in an efficient state of hull and machinery and will be responsible for vessel costs such as crewing, maintenance and drydock. The initial Charterer will be responsible for the voyage costs, which includes bunker fuel, stevedoring, port charges and towage. Global Ship Lease has entered into ship management agreements and the global expense agreement with its Ship Manager. Please see Ship Manager and Management Related Agreements of Global Ship Lease for a description of the material terms of the ship management agreements and the global expense agreement.

Costs incurred due to structural changes because of changes in legal, classification society or regulatory requirements regarding the vessel shall be paid by Global Ship Lease unless the annual costs aggregate to more than \$100,000 for each vessel impacted by such changes, in which case the initial Charterer will fully compensate Global Ship Lease through a corresponding charterhire rate increase that will be in effect from the year the aggregate amount is reached.

The initial Charterer is required to pay any costs of war risks insurance and additional crew expenses, if any, that are applicable if the initial Charterer acts outside the insurance limits and for entering areas which are specified by the insurance underwriters as being subject to additional premiums because of war risks.

**Right of First Refusal**

Pursuant to the terms of the time charter, the initial Charterer has a right of first refusal to purchase the vessel at matching terms to any offer of any third party if Global Ship Lease decides to sell the vessel during, or at the end of, the charter period. Should the initial Charterer not exercise its right of first refusal in case of a sale during the charter period, Global Ship Lease will be entitled to sell the vessel, subject to the initial Charterer's approval, which shall not be unreasonably withheld. The initial Charterer has the right to reject a sale of a vessel to owners whose business or shareholding is determined to be detrimental or contrary to the initial Charterer's interest.

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### ***Off-hire***

Under the time charter, when the vessel is not available for service, or off-hire, the initial Charterer generally is not required to pay the hire rate (unless the initial Charterer is responsible for the circumstances giving rise to the ship's unavailability), and Global Ship Lease is responsible for costs during any off-hire period, and possible additional costs of fuel to regain lost time. A vessel generally will be deemed to be off-hire if there is an occurrence that affects the full working condition of the vessel, such as:

any drydocking for repairs, maintenance or classification society inspection;

any damage, defect, breakdown or deficiency of the ship's hull, machinery or equipment or repairs or maintenance thereto;

any deficiency of the ship's master, officers and/or crew, including the failure, refusal or inability of the ship's master, officers and/or crew to perform the service immediately required, whether or not within its control;

its deviation, other than to save life or property, which results in the initial Charterer's lost time;

crewing labor boycotts or certain vessel arrests; or

Global Ship Lease's failure to maintain the vessel in compliance with the charter's requirements, such as maintaining operational certificates.

### ***Ship Management and Maintenance***

Under each of its time charters, Global Ship Lease is responsible for the operation and management of each vessel, which includes crewing, maintaining the vessel, periodic drydocking and performing work required by regulations. The day-to-day crewing and technical management of its vessels will be provided by its Ship Manager pursuant to the terms of the ship management agreements. Please see Ship Manager and Management Related Agreements of Global Ship Lease for a description of the material terms of the ship management agreements.

### ***Termination and Withdrawal***

If a vessel is off-hire for more than 90 consecutive days, then the initial Charterer may cancel the charter without any further consequential claims provided the vessel is free of cargo.

If a vessel's fuel consumption is increased for a prolonged period above a specified percentage or speed is decreased below a specified level, the time charter provides that hire payments under the time charter may be adjusted until or unless the speed and fuel consumption return to the level specified in the time charter. If a vessel's fuel consumption exceeds a higher percentage than the percentages specified in the charter over a continuous period of 30 days, and the reason is within its or the vessel's control, the initial Charterer may request that Global Ship Lease cures the deficiency. If the deficiency is not cured within 30 days after Global Ship Lease receives notice, then the initial Charterer may terminate the charter.

If either party informs the other party of a default under the charter, and the default is not rectified within 60 days of such notice, then the party giving the notice has the right to terminate the time charter with respect to that vessel.

The charter payments will terminate in the event of a total (actual or constructive) loss of the vessel.

Global Ship Lease may suspend the performance of its obligations under the charter if the initial Charterer defaults on its payment obligations under the charter.



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### **Transitional Services Agreement**

To assist Global Ship Lease in commencing its operations, Global Ship Lease will enter into a transitional services agreement with CMA CGM on the closing date of the Merger. Pursuant to this agreement, CMA CGM will provide general administrative and support services to Global Ship Lease upon its request. Global Ship Lease will pay for the services at (1) cost plus a margin of 5% and (2) for the services of employees of CMA CGM at agreed upon hourly rates. There is no minimum amount of services Global Ship Lease must purchase from CMA CGM, nor is Global Ship Lease required to utilize CMA CGM to provide any such services. The transitional services agreement will have an initial term of twelve months following the completion of the Merger during which neither party can terminate the agreement. Thereafter, unless terminated, it will be renewable by Global Ship Lease for monthly periods for up to a total of six additional months. After the initial twelve-month term, either Global Ship Lease or CMA CGM can terminate the transitional services agreement upon three months' advance written notice to the other party.

### **Inspection by Classification Societies**

Every seagoing vessel must be classed by a classification society. The classification society certifies that the vessel is in class, signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society, on request, also undertakes other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case and/or to the regulations of the country concerned.

For maintenance of the class, regular and extraordinary surveys of hull, machinery, including the electrical plant, and any special equipment classed, are required to be performed as follows:

*Annual Surveys.* For seagoing ships, annual surveys are conducted for the hull and the machinery, including the electrical plant, and where applicable for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.

*Intermediate Surveys.* Extended annual surveys are referred to as intermediate surveys and are typically conducted (a) two and one-half years after commissioning the vessel and (b) after each class renewal of the vessel. Most vessels are also drydocked every 36 to 60 months for inspection of their underwater parts and for repairs related to inspections. If any defects are found, the classification surveyor will issue a recommendation that must be rectified by the shipowner within prescribed time limits. However, by increasing the resilience of the underwater coating of a vessel and marking the vessel's hulls to accommodate in-water inspection by divers, in-water inspections may be accepted in lieu of drydockings. In-water inspections are typically less expensive than drydocking inspections and Global Ship Lease intends to conduct in-water inspections when that option is available to it.

*Class Renewal Surveys.* Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery, including the electrical plant, and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey, the vessel is thoroughly examined including audio-gauging to determine the thickness of the steel structures. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a shipowner has the option of arranging with the classification society for the vessel's hull or machinery to be on a continuous survey cycle, in

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which every part of the vessel would be surveyed within a five year cycle. At an owner's application, the surveys required for class renewal may be split according to an agreed schedule to extend over the entire period of class. This process is referred to as continuous class renewal.

As a condition for obtaining insurance coverage as well as for obtaining financing from its lenders, every one of Global Ship Lease's vessels needs to be certified in class by a member of the IACS. Six of the secondhand vessels in Global Ship Lease's initial fleet currently have recommendations. Global Ship Lease is currently aware of existing recommendations on three vessels in its contracted fleet. Pursuant to the terms of the asset purchase agreement, any recommendations or suspensions from class which exist at the time of sale to Global Ship Lease will need to be remedied at the sole expense of the vendors before or during the next scheduled drydocking of that vessel. Global Ship Lease will also be indemnified for a period of two years from the date of the sale of the vessel for certain losses incurred prior to the full repair of the vessel that arise out of any recommendations existing on the vessel or suspensions from class at the time of sale. Please see Acquisition of Initial and Contracted Fleet of Global Ship Lease Asset Purchase Agreement for more information. If the recommendations are not sufficiently corrected as determined by a member of the IACS, then the vessel may not remain in class. If a vessel is not in class, it may not be covered by insurance, and thus may not be available for charter. In addition, Global Ship Lease's vessels must remain in class as a condition to obtaining financing from the lenders under its credit facility.

The following table lists the months by which the vessels in Global Ship Lease's initial and contracted fleet need to have completed their next drydocking:

<b>Vessel Name</b>	<b>Drydocking Month*</b>
<i>Ville d Orion</i>	May 2011
<i>Ville d Aquarius</i>	March 2011
<i>CMA CGM Matisse</i>	September 2009
<i>CMA CGM Utrillo</i>	October 2009
<i>MOL Rainbow</i>	March 2013
<i>Julie Delmas</i>	October 2012
<i>Marie Delmas</i>	March 2012
<i>CMA CGM La Tour</i>	July 2011
<i>CMA CGM Manet</i>	July 2011
<i>Kumasi</i>	June 2012
<i>CMA CGM Alcazar</i>	November 2012
<i>CMA CGM Château d If</i>	December 2012
<i>Hull 4126 (Newbuilding)</i>	December 2013
<i>CMA CGM Jamaica</i>	March 2011
<i>CMA CGM Sambhar</i>	July 2011
<i>CMA CGM America</i>	September 2011
<i>CMA CGM Berlioz</i>	June 2011

\* Expected months of drydocking assume that the vessels of Global Ship Lease's initial and contracted fleet qualify for in-water inspections.

**Competition**

Global Ship Lease operates in markets that are highly competitive. Global Ship Lease competes for charters based upon price, customer relationships, operating expertise, professional reputation and size, age and condition of the vessel. Global Ship Lease also expects to compete with many other companies, including CMA CGM and its subsidiaries, to, among other things, purchase newbuildings and secondhand vessels to grow its fleet.

Global Ship Lease expects substantial competition in obtaining new containership charters from a number of experienced and substantial companies. Many of these competitors have significantly greater current financial



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resources than Global Ship Lease does, and can therefore operate larger fleets and may be able to offer better charter rates. There may be an increasing number of owners with vessels available for charter, including many with strong reputations and extensive resources and experience. This increased competition may cause greater price competition for time charters. As a result of these factors, Global Ship Lease may be unable to maintain or expand its relationships with its initial Charterer or to obtain new customers on a profitable basis, if at all, which would have a material adverse effect on its business, results of operations and financial condition and its ability to pay dividends to its shareholders. For a more detailed description of the competitive environment, please see *The International Containership Industry*.

### **Permits and Authorizations**

Global Ship Lease is required by various governmental and other agencies to obtain certain permits, licenses and certificates with respect to its vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodities transported, the waters in which the vessel operates, the nationality of the vessel's crew and the age of a vessel. Not all of the permits, licenses and certificates currently required to operate the vessels globally have been obtained by Global Ship Lease or its Ship Manager. For example, the *MOL Rainbow*, *Julie Delmas*, *Kumasi* and *Marie Delmas* vessels are not compliant with all United States, Canadian and Panama Canal regulations, as its initial Charterer does not intend to operate them in these waters.

### **Environmental and Other Regulations**

Government regulation significantly affects the ownership and operation of vessels. Global Ship Lease is subject to international conventions and codes, and national, state and local laws and regulations in force in the countries in which its vessels may operate or are registered, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, and water discharges and ballast water management. Compliance with these laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures, and are subject to frequent change.

A variety of governmental and private entities subject its vessels to both scheduled and unscheduled inspections. These entities include the local port authorities, United States Coast Guard, harbor master or equivalent, classification societies, flag state administrations, country of registry, charterers, and terminal operators. Certain of these entities require Global Ship Lease to obtain permits, licenses and certificates for the operation of its vessels. Failure to maintain necessary permits or approvals could require Global Ship Lease to incur substantial costs or temporarily suspend the operation of one or more of its vessels in one or more ports.

Global Ship Lease believes that the heightened level of environmental and quality concerns among insurance underwriters, regulators and charterers is leading to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the shipping industry.

Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. Global Ship Lease will be required to maintain operating standards for all of its vessels that emphasize operational safety, quality maintenance, continuous training of its officers and crews and compliance with United States and international regulations. Because such laws and regulations are frequently changed and may impose increasingly strict requirements, future environmental regulations may limit Global Ship Lease's ability to do business, increase its operating costs, force the early retirement of its vessels and/or affect their resale value, all of which could have a material adverse affect on its financial condition and results of operations.

### ***International Maritime Organization***

Global Ship Lease's vessels are subject to standards imposed by the International Maritime Organization, or IMO, the United Nations agency for maritime safety and the prevention of pollution by ships. The IMO has

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negotiated international conventions and implemented regulations that address oil discharges, ballasting and unloading operations, sewage, garbage and air emissions, and impose liability for pollution in international waters and a signatory's territorial waters.

The IMO's International Convention for the Prevention of Pollution from Ships, or MARPOL, imposes environmental standards on the shipping industry relating to oil spills, management of garbage, the handling and disposal of noxious liquids, harmful substances in packaged forms, sewage and air emissions. Annex I specifies requirements for continuous monitoring of oily water discharges and establishes a number of special areas in which more stringent discharge standards are applicable. Carriage of chemicals in bulk is covered by regulations MARPOL Annex II. Annex III of MARPOL regulates the transportation of packaged dangerous goods (marine pollutants) and includes standards on packing, marking, labeling, documentation, stowage, quantity limitations and pollution prevention. These Annex III requirements have been expanded by the International Maritime Dangerous Goods Code, which imposes additional standards for all aspects of the transportation of dangerous goods and marine pollutants by sea. Annex IV contains a set of regulations regarding the discharge of sewage into the sea, the configuration and operation of ships' equipment and systems for the control of sewage discharge, and requirements for survey and certification. Annex V totally prohibits the disposal of plastics anywhere into the sea, and severely restricts discharges of other garbage from ships into coastal waters and special areas. MARPOL's Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone depleting substances, such as chlorofluorocarbons. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions. Global Ship Lease has registered the vessels in its initial fleet, and intends to register the vessels in the contracted fleet, in flag states that have ratified Annex VI, which require that Global Ship Lease obtains International Air Pollution Prevention Certificates, or IAPP Certificates, for the vessels in its initial and contracted fleet, from those flag states. As of March 31, 2008, all of the vessels in the initial fleet had IAPP Certificates.

The operation of its vessels is also affected by the requirements set forth in the International Management Code for the Safe Operation of Ships and Pollution Prevention, or ISM Code, compliance with which is required under the International Convention of Safety of Life at Sea, or SOLAS. The ISM Code requires shipowners or any other entity such as a manager or a bareboat charterer, who has assumed the responsibility for operating and managing the vessel, to develop and maintain a Safety Management System, which includes the requirements to adopt a safety and environmental protection policy; instructions and procedures to ensure safe operation of ships and protection of the environment pursuant to international and flag state laws and regulations; defined levels of authority and lines of communication between, and among, shore and shipboard personnel; procedures for reporting accidents and non-conformities within the provision of the ISM Code; procedures to prepare guidelines and respond to emergency situation; and procedures for internal audits and management reviews. The ISM Code requires that the vessel operator be issued a Document of Compliance and the vessels it operates be issued a Safety Management Certificate, evidencing compliance by the vessel's management with ISM Code requirements for a Safety Management System. The failure of a shipowner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. As of March 31, 2008, each of the vessels in its initial fleet, and the entities managing or owning them, were certified pursuant to requirements of ISM Code. There can be no assurance that any certification will be maintained indefinitely. SOLAS itself specifies minimum standards for the construction, equipment and operation of ships, compatible with their safety. Flag states are responsible for ensuring that ships under their jurisdictions comply with these requirements, and require various certificates pursuant to SOLAS as proof of such compliance.

The IMO has also adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments, or BWM Convention. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements beginning in 2009, to be replaced in time with mandatory concentration limits. The BWM Convention will not enter into force until 12 months after it has been adopted by 30 IMO Member States, the combined merchant fleets of which represent not less than 35% of the

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gross tonnage of the world's merchant shipping. Please see The National Invasive Species Act and the Clean Water Act, below, for a discussion of possible impacts of increased ballast water management regulation.

Increasingly, independent agencies representing various nations and regions are adopting additional unilateral requirements on the operation of vessels in their territorial waters. These regulations, as described below, apply to its vessels when they are in their waters and can add to the costs of operating and maintaining those vessels as well as increasing the potential liabilities that apply to spills or releases of oil or other materials or violations of the applicable requirements.

### ***United States***

#### ***The United States Oil Pollution Act of 1990***

The United States Oil Pollution Act of 1990, or OPA, establishes an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA applies to discharges of any oil from a vessel, including discharges of fuel and lubricants and affects all owners and operators whose vessels trade in the United States, including its territories and possessions, or whose vessels operate in United States waters, which includes the United States territorial sea and its two hundred nautical mile exclusive economic zone. Although OPA is primarily directed at oil tankers (which are not operated by Global Ship Lease), it also applies to non-tanker ships, including containerships, with respect to the fuel oil, or bunkers, used to power such ships.

Under OPA, vessel owners, operators and bareboat charterers are responsible parties and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels. OPA defines these other damages broadly to include:

natural resources damage and the costs of assessment thereof;

real and personal property damage;

net loss of taxes, royalties, rents, fees and other lost revenues;

lost profits or impairment of earning capacity due to property or natural resources damage; and

net cost of public services necessitated by a spill response, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

The Coast Guard and Maritime Transportation Act of 2006, or CGMTA, amended OPA to increase the limits of the liability of responsible parties. For any non-tank vessel, the new limits on liability are the greater of \$950 per gross ton or \$800,000. These limits of liability do not apply if an incident was directly caused by violation of applicable United States federal safety, construction or operating regulations or by a responsible party's gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities. Additionally, OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, and some states have enacted legislation providing for unlimited liability for oil spills. Global Ship Lease intends to comply with all applicable state regulations in the ports where its vessels call.

Global Ship Lease intends to maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for each of its vessels. If the damages from a catastrophic spill were to exceed its insurance coverage it could have an adverse effect on its business and results of operation.

OPA requires owners and operators of vessels to obtain a certificate of financial responsibility by establishing and maintaining with the United States Coast Guard, or Coast Guard, evidence of financial responsibility sufficient to meet their potential liabilities under the OPA; an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessels in

the fleet having the greatest maximum liability under OPA. Regulations currently require evidence of

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financial responsibility for non-tank vessels in the amount of \$300 per gross ton, or \$0.5 million, whichever is greater (these totals include the financial responsibility amounts established under CERCLA, as described below). However, the Coast Guard published a notice of proposed rulemaking on February 5, 2008, proposing to revise that regulatory requirement to reflect the increased limits on liability described above. An owner or operator may evidence its financial responsibility by showing proof of insurance, surety bond, self-insurance or guaranty. Under the self-insurance provisions, the shipowner or operator must have a net worth and working capital, measured in assets located in the United States against liabilities located anywhere in the world, that exceeds the applicable amount of financial responsibility. For its vessels that plan on entering U.S. waters, Global Ship Lease intends to comply with the United States Coast Guard regulations by providing a certificate of responsibility from third party entities that are acceptable to the United States Coast Guard evidencing sufficient self-insurance.

The United States Coast Guard's regulations concerning certificates of financial responsibility provide, in accordance with OPA, that claimants may bring suit directly against an insurer or guarantor that furnishes certificates of financial responsibility. In the event that such insurer or guarantor is sued directly, it is prohibited from asserting any contractual defense that it may have had against the responsible party and is limited to asserting those defenses available to the responsible party and the defense that the incident was caused by the willful misconduct of the responsible party. Certain organizations, which had typically provided certificates of financial responsibility under pre-OPA laws, including the major protection and indemnity organizations, have declined to furnish evidence of insurance for vessel owners and operators if they are subject to direct actions or required to waive insurance policy defenses. This requirement may have the effect of limiting the availability of the type of coverage required by the Coast Guard and could increase costs of obtaining this insurance for Global Ship Lease and its competitors.

In addition, Title VII of the Coast Guard and Maritime Transportation Act of 2004 amended OPA to require the United States Coast Guard to issue regulations to require the owner or operator of any non-tank vessel of 400 gross tons or more that carries oil of any kind as a fuel for main propulsion, to prepare and submit a response plan for each vessel. The United States Coast Guard has not issued such regulations yet, but has published a guidance document that allows for the issuance of interim authorization letters until the final regulations are promulgated. The vessel response plans include detailed information on actions to be taken by vessel personnel to prevent or mitigate any discharge or threat of discharge of oil from the vessel due to operational activities or casualties. Global Ship Lease is in the process of preparing plans to comply with the requirements of the CGMTA and OPA.

### *The Comprehensive Environmental Response, Compensation, and Liability Act*

The Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, governs spills or releases of hazardous substances other than petroleum or petroleum products. CERCLA imposes joint and several liability, without regard to fault, on the owner or operator of a ship, vehicle or facility from which there has been a release, along with other specified responsible parties. Costs recoverable under CERCLA include cleanup and removal costs, natural resource damages and governmental oversight costs. Liability under CERCLA is generally limited to the greater of \$300 per gross ton, or \$0.5 million, unless the incident is caused by gross negligence, willful misconduct or a violation of certain regulations, in which case liability is unlimited. These liability amounts are included in the total financial responsibility amounts required to obtain a Coast Guard certificate of financial responsibility, as described above.

### *The National Invasive Species Act and the Clean Water Act*

The National Invasive Species Act, or NISA, was enacted in 1996 in response to growing reports of harmful organisms being released into United States ports through ballast water taken on by ships in foreign ports. Under NISA, the Coast Guard requires mandatory ballast water management practices for all vessels equipped with ballast water tanks bound for United States ports or entering United States waters and requires vessels to maintain a ballast water management plan that is specific for that vessel and assigns responsibility to the master

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or appropriate official to understand and execute the ballast water management strategy for that vessel. Coast Guard regulations also establish penalties for ships headed to the United States that fail to submit a ballast water management reporting form, as well as vessels bound for the Great Lakes or portions of the Hudson River that violate mandatory ballast water management requirements. The Coast Guard may now impose a civil penalty of up to \$27,500 per day or, in the case of knowing violations, Class C Felony charge for non-submittal.

The Clean Water Act, or CWA, prohibits the discharge of oil or hazardous substances in United States navigable waters without a permit and imposes strict liability in the form of penalties for any unauthorized discharges. Current Environmental Protection Agency, or EPA, regulations exempt ships in United States navigable waters from the requirement to obtain CWA permits for discharges of ballast water and other substances incidental to the normal operation of vessels. However, a United States District Court ruled in 2006 that EPA lacks the authority to exclude discharges of vessel ballast water from permitting requirements under the CWA, invalidating the blanket exemption in EPA regulations for all discharges incidental to the normal operation of a vessel as of September 30, 2008, and directed EPA to develop a system for regulating all discharges from vessels by that date. Unless this decision is overturned on appeal or by legislation, or the relief in question is modified, vessels entering United States waters would be required to comply with the CWA permitting program to be developed by the EPA or face penalties.

Changes in ballast water management rules and regulations, either in the United States or internationally (please see International Maritime Organization above), could increase the cost of compliance for ocean carriers, including requiring installation of equipment of ballast water treatment systems on vessels at substantial cost.

### ***European Union***

The European Union has adopted legislation that: (1) requires member states to refuse access to their ports to certain sub-standard vessels, according to vessel type, flag and number of previous detentions; (2) creates an obligation of member states to inspect at least 25% of vessels using their ports annually and provides for increased surveillance of vessels posing a high risk to maritime safety or the marine environment; (3) provides the European Union with greater authority and control over classification societies, including the ability to seek to suspend or revoke the authority of negligent societies, and (4) requires member states to impose criminal sanctions for certain pollution events, such as the unauthorized discharge of tank washings. It is impossible to predict what additional legislation or regulations, if any, may be promulgated by the European Union or any other country or authority.

### ***Other Regions***

The environmental protection regimes in other relatively high-income countries, such as Canada, resemble those of the United States. To the extent Global Ship Lease operates in the territorial waters of such countries or enter their ports, its vessels would typically be subject to the requirements and liabilities imposed in such countries. Other regions of the world also have the ability to adopt requirements or regulations that may impose additional obligations on its vessels and may entail significant expenditures on its part and may increase its costs to operate its initial and contracted fleet. These requirements, however, would apply to the industry as a whole who operate in those regions and would also affect Global Ship Lease's competitors.

### **Vessel Security Regulations**

Since the terrorist attacks of September 11, 2001, there have been a variety of initiatives intended to enhance vessel security. On November 25, 2002, the Maritime Transportation Security Act of 2002, or MTSA, came into effect. To implement certain portions of the MTSA, the United States Coast Guard in July 2003 issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States. Similarly, in December 2002, amendments to SOLAS created a new chapter of the convention dealing specifically with maritime security. The new chapter came into effect in

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July 2004 and imposes various detailed security obligations on vessels and port authorities, most of which are contained in the newly created International Ship and Port Facilities Security Code, or ISPS Code. Among the various requirements are:

on-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;

on-board installation of ship security alert systems;

the development of vessel security plans; and

compliance with flag state security certification requirements.

United States Coast Guard regulations are intended to align with international maritime security standards and they exempt non-United States vessels from MTSA vessel security measures provided such vessels have on board a valid International Ship Security Certificate that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code. Global Ship Lease has implemented various security measures addressed by SOLAS and the ISPS Code for the vessels in its initial fleet and intends to do so in the future for the vessels of its contracted fleet.

**100% Container Screening**

The United States signed into law the 9/11 Commission Act on August 3, 2007. The Act requires that all containers destined to the United States be scanned by x-ray machines before leaving port. This new requirement for 100% scanning is set to take effect in 2012, but the Secretary of the United States Department of Homeland Security has the authority to set an earlier deadline (based on developments arising from the on-going pilot program under the SAFE-Port Act of 2006) or to extend the deadline up to two years, to 2014. Ports that ship to the United States will likely have to install new x-ray machines and make infrastructure changes in order to accommodate the screening requirements. Such implementation requirements may change which ports are able to ship to the United States and shipping companies may incur significant increased costs. It is impossible to predict how this requirement will affect the industry as a whole, but changes and additional costs can be reasonably expected.

**Risk of Loss and Liability Insurance**

***General***

The operation of any container vessel includes risks such as mechanical failure, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental damages, spills or releases, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes, in certain circumstances, virtually unlimited liability upon owners, operators and demise charterers of vessels trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for ship owners and operators trading in the United States market.

Global Ship Lease maintains marine hull and machinery insurance, war risks insurance, protection and indemnity cover, increased value insurance and freight, demurrage and defense cover for all its vessels in amounts that it believes to be prudent to cover normal risks in its operations, but Global Ship Lease may not be able to maintain these levels of coverage throughout its vessels' useful lives. Furthermore, while Global Ship Lease believes that its insurance coverage will be adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that Global Ship Lease will always be able to obtain adequate insurance coverage at reasonable rates.

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### ***Hull & Machinery, Loss of Hire and War Risks Insurance***

Global Ship Lease maintains marine hull and machinery and war risks insurance, which covers the risk of actual or constructive total loss, for all of its vessels. Its vessels are each covered up to at least fair market value, which Global Ship Lease expects its board of directors to assess at least annually, with certain deductibles per vessel per incident. Global Ship Lease also maintains increased value coverage for each of its vessels. Under this increased value coverage, in the event of total loss of a vessel, Global Ship Lease will be entitled to recover amounts not recoverable under its hull and machinery policy due to under-insurance. Under the terms of its credit facility, Global Ship Lease has assigned these insurance policies to its lenders and is subject to restrictions on its use of any proceeds therefrom.

Global Ship Lease may obtain loss-of-hire insurance covering the loss of revenue during extended off-hire periods. Global Ship Lease believes that this type of coverage might be valuable. Global Ship Lease will evaluate the need for such coverage on an ongoing basis, taking into account insurance market conditions and the employment of its vessels.

### ***Protection and Indemnity Insurance***

Protection and indemnity insurance is mutual indemnity insurance provided by mutual protection and indemnity associations, or P&I Associations, which insure its third-party and crew liabilities in connection with its shipping activities. This includes third-party liability, crew liability and other related expenses resulting from the injury or death of crew, passengers and other third parties, the loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances and salvage, towing and other related costs, including wreck removal. Subject to the capping discussed below, its coverage, except for pollution, will be unlimited. Its protection and indemnity insurance coverage for pollution will be \$1.0 billion per vessel per incident.

The International Group is comprised of 13 P&I Associations. The International Group insures approximately 90% of the world's commercial blue-water tonnage and has entered into a pooling agreement with each of its members to reinsure each association's liabilities. This pooling agreement provides a mechanism for sharing all claims up to a current cap of approximately \$5.4 billion. Global Ship Lease intends to remain a member of a P&I Association that is a member of the International Group, and as such, Global Ship Lease will be subject to calls payable to the other P&I Associations based on the International Group's claim records as well as the claim records of all other members of the individual P&I Associations.

### ***Legal Proceedings***

Global Ship Lease has not been involved in any legal proceedings that may have, or have had a significant effect on its business, financial position, results of operations or liquidity, and Global Ship Lease is not aware of any proceedings that are pending or threatened that may have a material effect on its business, financial position, results of operations or liquidity. From time to time, Global Ship Lease may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. Global Ship Lease expects that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

### ***Exchange Controls***

Under Marshall Islands law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of the common shares of Global Ship Lease.



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**ACQUISITION OF INITIAL AND CONTRACTED FLEET OF GLOBAL SHIP LEASE**

The following includes a summary of the material terms of the asset purchase agreement. For more information, you should read the asset purchase agreement filed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part. You can also obtain a copy of this agreement by following the instructions under [Where You Can Find Additional Information](#).

**Asset Purchase Agreement**

Pursuant to the asset purchase agreement, Global Ship Lease has acquired its initial fleet of 12 vessels from CMA CGM and will acquire five additional vessels from CMA CGM. Global Ship Lease refers to CMA CGM together with its vessel-owning subsidiaries as the vendors. Please see [Global Ship Lease Business](#) [Global Ship Lease's Fleet](#) for a description of the vessels that have been or are to be acquired.

Under the asset purchase agreement, the vendors have warranted to Global Ship Lease that the vessels sold to Global Ship Lease will be delivered in class, with valid classification certificates and without recommendations, or that any recommendations or suspensions from class which exist and have not been cured by the time of the sale of the vessel will be remedied at the sole expense of the vendors before or during the next scheduled drydocking of that vessel. Global Ship Lease is currently aware of existing recommendations on six vessels in its initial fleet and on three vessels in its contracted fleet. In the event that, after its sale to Global Ship Lease, a vessel is off-hire due to any of the recommendations or suspensions from class (or for any repairs thereof) that existed at the time of the sale of the vessel to Global Ship Lease, the vendors have agreed to pay Global Ship Lease the daily charter hire amounts (as provided in the relevant charter agreement for such vessel) for each day that the vessel is off-hire due to the existing conditions of class or recommendations or suspensions from class or for any repairs thereof. In addition, Global Ship Lease is currently and will be indemnified for a period of two years from the date of the purchase of the vessel for certain losses incurred prior to the full repair of the vessel that arise out of any conditions of class or recommendations or suspensions from class existing on the vessel at the time of sale.

In the case of a vessel with an existing condition of class or recommendation or suspensions from class as of the intended date of sale, where all or any portion of its purchase price is to be funded with borrowings under its credit facility, Global Ship Lease is obligated under the terms of the asset purchase agreement to obtain the consent of the lenders prior to its purchase. If the lenders do not provide their consent, then the vendor shall be obligated to fully repair the vessel prior to its sale to Global Ship Lease at its own expense. Once repaired, Global Ship Lease and the vendor will be obligated to complete the sale of the vessel in accordance with the terms of the asset purchase agreement; provided that Global Ship Lease has available, or is able to obtain under its credit facility, sufficient funds to pay the purchase price.

The vendors have also warranted to Global Ship Lease that the vessels will be free from all liens, encumbrances and mortgages or any other debts whatsoever. The vendors further agree to indemnify Global Ship Lease against all consequences of claims made against the vessels that are incurred prior to the agreed upon time and date of delivery.

Pursuant to the asset purchase agreement, Global Ship Lease has the right to inspect each of the secondhand vessels and review its records and classification surveys in connection with its purchase. Global Ship Lease used a qualified third party to complete such inspections and reviews but does not intend to perform any underwater inspections prior to the time of delivery. The vendors have agreed that they will deliver the vessels to Global Ship Lease in the same condition as they were at the time of its inspection, fair wear and tear excepted. The vendor has agreed to consult with Global Ship Lease regarding any inspections the vendor is making of the newbuilding in its first contracted fleet, but it is not obligated to invite Global Ship Lease to participate in any inspections of those vessels if such action would violate the terms of the agreements by which it is acquiring the newbuilding.

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### ***Global Ship Lease's Initial and Contracted Fleets***

The aggregate purchase price for the initial fleet was \$573.0 million. Global Ship Lease financed the acquisition of the vessels of its initial fleet with borrowings under its credit facility and a shareholder loan from CMA CGM (which will be cancelled upon the Merger).

The aggregate purchase price for the vessels of Global Ship Lease's contracted fleet is \$437.0 million, of which \$99.0 million is deemed to be prepaid pursuant to the Merger. Global Ship Lease expects to finance the balance of the purchase price of the vessels in its contracted fleet with borrowings under its credit facility. If CMA CGM does not deliver one of the vessels in the contracted fleet, then the amount payable to CMA CGM will be correspondingly reduced.

The terms of the asset purchase agreement provide that in the event of any adjustment to the purchase price of the newbuilding in Global Ship Lease's contracted fleet, that adjustment (which may be either a price increase or a price reduction) will be transferred to Global Ship Lease from the vendor. Any such purchase price adjustment will also cause a corresponding change to be made to the charter hire paid for such vessel pursuant to its time charter.

### ***Secondhand Vessels***

The 10 secondhand vessels in Global Ship Lease's initial fleet were owned by CMA CGM or one of its wholly owned subsidiaries. They were delivered to Global Ship Lease in December 2007.

The three secondhand vessels in Global Ship Lease's first contracted fleet, the *CMA CGM Jamaica*, the *CMA CGM Sambhar* and the *CMA CGM America*, are currently owned by third parties, unaffiliated with the vendors (please see Global Ship Lease Business Global Ship Lease's Fleet ) and are presently chartered to CMA CGM. Under each charter with such third party, CMA CGM has the option to purchase the vessels. CMA CGM has exercised its purchase options and, pursuant to the terms of the asset purchase agreement, will sell those vessels to Global Ship Lease. CMA CGM expects to deliver to Global Ship Lease the three secondhand vessels in its first contracted fleet in December 2008, subject to CMA CGM's acquisition of the vessels from the third party charterer.

The vessel in its second contracted fleet, the *CMA CGM Berlioz*, is currently owned by CMA CGM. CMA CGM expects to deliver it to Global Ship Lease in July 2009.

### ***Newbuilding and Newly Built Vessels***

The two newly built vessels in Global Ship Lease's initial fleet, the *CMA CGM Chateau d'If* and the *CMA CGM Alcazar*, were built by Hanjin Heavy Industries & Construction Co., Ltd. at its Youngdo shipyard in Busan, Korea pursuant to ship building contracts with Cosco Charleston Maritime Inc. and Cosco Norfolk Maritime, Inc. CMA CGM entered into a separate memorandum of agreement with each of Cosco Charleston Maritime, Inc. and Cosco Norfolk Maritime, Inc., pursuant to which CMA CGM acquired the two vessels from such entities in November and December 2007. Each of the sellers assigned to CMA CGM the builder's guarantee of material and workmanship as per the original ship building contracts. The sellers are not responsible for any claim relating to the condition or performance of the newly built vessels after delivery to CMA CGM. Instead, CMA CGM must pursue such claims against the builder.

Global Ship Lease acquired the two vessels from CMA CGM in January 2008. The asset purchase agreement provides for, among other things, the transfer to Global Ship Lease of the builder's guarantee of material and workmanship under the original ship building contracts or, if such transfer is unenforceable, an obligation by CMA CGM to enforce the warranties on its behalf and a transfer by CMA CGM to Global Ship Lease of any reductions in the purchase price of the vessels due to failure of the ships to meet the specifications set forth in their respective ship building contracts.

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Global Ship Lease's *Hull 4126* newbuilding in its first contracted fleet is being built by Daewoo Shipbuilding & Marine Engineering Co., Ltd., or Daewoo, at its shipyard on Okpo Koje Island, Korea pursuant to a ship building contract with CMA CGM. The ship building contract will not be assigned to Global Ship Lease by CMA CGM prior to delivery of the ship to Global Ship Lease, and CMA CGM will be responsible for payments due under the ship building contract. Global Ship Lease will take delivery of the newbuilding after it is constructed, purchased and delivered to CMA CGM, subject to terms of the shipbuilding contract. If CMA CGM is not obligated to purchase the newbuilding because it does not meet the relevant specifications, then, pursuant to the terms of the asset purchase agreement, Global Ship Lease can request that CMA CGM purchase the vessel anyway on the condition that CMA CGM will not have any obligation to charter such vessel or incur any additional liability for its purchase. If the newbuilding is delivered but does not meet the specifications set forth in the ship building contract, then Global Ship Lease is entitled to receive all rebates, discounts and reductions entitled to be given to CMA CGM and the purchase price and charterhire rate will be reduced accordingly.

For a 12-month period that begins once the vessel has been delivered to CMA CGM, Daewoo guarantees the vessel and all parts and equipment thereof against all defects which are directly due to, but are not limited to, defective materials, construction miscalculation and/or poor workmanship, provided that such defects have not been caused by seaborne dangers, or navigation, or by normal wear and tear, overloading, improper loading or stowage, fire, accident or by any other circumstances beyond the control of the ship builder, incompetence, mismanagement, negligence or willful neglect or by alteration of addition by CMA CGM not previously approved by the builder. If the shipyard agrees, all such warranties, to the extent assignable, will be transferred to Global Ship Lease in connection with its purchase of the newbuilding. If the shipyard does not agree, CMA CGM has agreed in the asset purchase agreement that it will enforce the warranties on Global Ship Lease's behalf.

**Table of Contents****GLOBAL SHIP LEASE CREDIT FACILITY**

The following is a summary of the material terms of the Global Ship Lease credit facility. For more information, you should read the credit facility and its addendum filed as an exhibit to the registration statement of which this joint proxy statement/prospectus forms a part. You can also obtain a copy of this agreement by following the instructions under [Where You Can Find Additional Information](#).

Global Ship Lease established an eight year \$800 million senior secured revolving credit facility with Fortis Bank (Nederland) N.V., as Agent, Citibank Global Markets Limited, HSH Nordbank AG, Sumitomo Mitsui Banking Corporation, Brussels Branch, KFW and DnB Nor Bank ASA, which Global Ship Lease refers to as its credit facility. Global Ship Lease has received the requisite consents of the lenders under the credit facility with respect to the Merger.

Global Ship Lease drew funds under its credit facility to finance in part the purchase of its initial fleet and will draw additional funds under its credit facility to finance in part the purchase of its contracted fleet and may draw down additional funds for the purchase of additional vessels meeting the requirements described below, as well as for other general corporate purposes. All of Global Ship Lease's subsidiary companies owning vessels included in the security package are borrowers and guarantors jointly and severally guaranteeing Global Ship Lease's obligations under the credit facility. Global Ship Lease when used in this Section [Global Ship Lease's Credit Facility](#), refers to Global Ship Lease and its subsidiaries who are borrowers and guarantors under the credit facility.

Global Ship Lease borrowed \$401.1 million under the credit facility to finance \$401.1 million of the price of its initial fleet. Global Ship Lease intends to borrow an additional \$256.0 million under the credit facility upon the acquisition of its first contracted fleet, expected to be purchased in December 2008, and \$82.0 million upon the acquisition of its second contracted fleet, which is expected to be purchased in July 2009. Subject to the satisfaction of certain conditions described below, Global Ship Lease is permitted to borrow funds up to the full amount of the credit facility for a period of five years from the closing of the credit facility. Commencing five years after the closing of the credit facility, amounts that Global Ship Lease is able to borrow under the credit facility will reduce as discussed below.

Global Ship Lease expects to pay a commitment fee of 0.25% per annum, which will be payable quarterly in arrears, on the undrawn portion of the credit facility. Global Ship Lease will be responsible for the duly justified costs properly incurred in connection with the establishment and the maintenance of the credit facility.

Borrowings under the credit facility bear interest at a rate of the margin over one, three, six, nine or 12 month United States Dollar LIBOR, or such other periods as the Agent may agree. The margin will depend on the leverage ratio, which is defined as the ratio of the aggregate amount outstanding under its credit facility, net of surplus cash held in the retention account, to the aggregate market value of the vessels securing the credit facility. The charter-free market value of a vessel is calculated semi-annually as the arithmetic average of valuations determined by two independent sale and purchase brokers acceptable to the Agent. Set forth below is the margin that applies to the applicable leverage ratio:

<b>Leverage Ratio</b>	<b>Margin</b>
Up to 50%	0.75%
Greater than 50% to 60%	0.80%
Greater than 60% to 70%	0.90%
Greater than 70% to 75%	1.10%

During the continuance of any principal or interest default, the margin on the overdue amounts increases by 2% per annum. Pursuant to the terms of the credit facility, Global Ship Lease must hedge at least 50% of the amounts outstanding under the credit facility. Global Ship Lease intends to hedge prior to the Merger 100% of the amounts expected to remain outstanding under the credit facility.

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Global Ship Lease's ability to borrow amounts under its credit facility is subject to the execution of customary documentation relating to the credit facility, including security documents, satisfaction of certain customary conditions precedent and compliance with terms and conditions included in the loan documents. Its ability to borrow to acquire additional vessels that will be included in the security package under the credit facility will be subject to the target vessel being a vessel where Global Ship Lease can prove (i) certain financial requirements related to the vessel, (ii) that the vessel is a container carrier of standard design and at least 750 TEU in capacity, (iii) that it is no more than 10 years old at the time of acquisition and (iv) that it is employed by an acceptable charterer. In certain limited circumstances, Global Ship Lease can utilize the credit facility to purchase vessels that will not be required to form part of the security package. Global Ship Lease's ability to draw funds under its credit facility will be subject to its total borrowings under its credit facility not exceeding 70% of the aggregate charter-free market value of the vessels within the security package.

The credit facility amount will reduce, commencing five years from the date of closing of the credit facility, in 12 equal quarterly installments. Global Ship Lease must repay any amount outstanding that is in excess of the newly-reduced maximum credit facility amount. The amount of each installment will be determined four years and nine months after the date of closing of the credit facility based on the following formula: one-quarter of the amount of the credit facility amount divided by the number equal to 18 minus the average age of all vessels included in the security package weighted by market value. Any amount outstanding under the credit facility at the maturity date must be repaid in one installment. Global Ship Lease may voluntarily cancel undrawn amounts under the credit facility from time to time in a minimum amount of \$5.0 million or in multiples of \$2.5 million in excess of such amount.

## **Security**

Global Ship Lease's credit facility provides that borrowings under the credit facility are secured by the following:

a first priority pledge over Global Ship Lease's accounts, and those of Global Ship Lease's subsidiaries owning vessels in the security package, which is held with the Agent;

cross-collateralized first priority mortgages on each of the vessels in the security package registered or flagged in a jurisdiction acceptable to the lenders;

marine and war risks insurance covering a minimum of 110% of the outstanding credit facility amount;

a first priority assignment of time charter contracts, in respect of the vessels in the security package;

a first priority assignment of insurances in respect of each of the vessels in the security package;

a first priority pledge over the shares of Global Ship Lease's borrowing or guaranteeing subsidiaries;

corporate guarantees for Global Ship Lease's obligations from guarantors being Global Ship Lease's non-borrowing subsidiaries under this credit facility;

a first priority assignment of the unconditional and irrevocable corporate guarantee from CMA CGM to Global Ship Lease for the obligations of the initial Charterer, under the time charters, in cases where the initial Charterer is a subsidiary of CMA CGM;

a first priority assignment of the management agreements for the vessels in the security package; and

a first priority (general) assignment of the earnings of the vessels in the security package.

In the event of either the sale or total loss of a vessel, the amount available for Global Ship Lease to borrow under its credit facility will be reduced so that its borrowings under the credit facility does not exceed 70% of the market value of the remaining vessels that secure its obligations under the credit facility.

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### **Covenants**

Global Ship Lease's credit facility contains covenants that require Global Ship Lease to ensure, among other things, that:

the employment details of additional vessels that Global Ship Lease acquires are given to the Agent;

technical and/or operational management of all the vessels secured under this facility and/or the supervisor in respect of newbuildings to be executed by CMA CGM or any of its wholly owned subsidiaries, or any other company internationally recognized and acceptable to the Agent;

the earnings accounts, the operating account and retention account in relation to the vessels are held with the Agent;

the vessels are in class, free of any material overdue recommendations, and the classification society is part of the IACS. No change of class without the prior written consent of the Agent, such consent not to be unreasonably withheld;

Global Ship Lease is only to be involved in the business of ownership of vessels, technical and commercial management of such vessels and related activities;

Global Ship Lease may not charter-in vessels, lease vessels or enter into any similar arrangement without the prior written approval of the Agent, other than time chartering up to three months, such consent not to be unreasonably withheld, unless the arrangement is with or to Global Ship Lease or its subsidiaries, in which case no approval from the Agent shall be required;

Global Ship Lease has supplied a list of acceptable flags approved by the Agent. Global Ship Lease may change flag to another approved flag provided the Agent receives the required documentation;

Global Ship Lease is restricted from certain asset acquisitions and disposals with respect to its subsidiaries other than disposals made in the ordinary course of business of the disposing subsidiary on arms-length terms and for fair value or any disposal of assets (other than vessels) in exchange for other assets comparable or superior as to type, value and quality;

there are restrictions on the ability of Global Ship Lease's subsidiaries to incur additional indebtedness;

Global Ship Lease will at all times comply with the International Maritime Code for the Safe Operation of Ships and for Pollution Prevention adopted by the IMO;

there is no change of ownership of any of Global Ship Lease's subsidiaries;

Global Ship Lease will provide the Agent with audited annual consolidated accounts, quarterly management accounts and, in respect of each subsidiary, annual unaudited accounts as soon as they are made available, in no event later than 120 days of the year-end and 60 days of the end of each quarter. Further relevant financial information will be provided on demand;

Global Ship Lease shall, at the same time the audited annual consolidated accounts and management accounts are due, provide the Agent with compliance certificates showing the calculation of the financial covenants. A listing of charter rates may also be included;

Global Ship Lease cannot dispose of net assets in excess of \$300.0 million (of which a maximum of \$200.0 million in aggregate should be in respect of its initial and contracted fleet) over any period of three consecutive calendar years other than with the consent of the Agent; and

Global Ship Lease may pay dividends if (1) no event of default has occurred or is continuing, (2) the payment of such a dividend does not trigger an event of default and (3) any payments to be made into the retention account are fully up to date.



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Global Ship Lease's credit facility contains financial covenants requiring that, among other things:

its cash balance on a consolidated basis must be a minimum of \$15.0 million or six months' interest expense at all times;

Global Ship Lease's financial net debt to total capitalization ratio shall not exceed 75%;

Global Ship Lease's ratio of EBITDA to debt service, on a trailing four-quarter basis, shall be no less than 1.10 to 1; and

Global Ship Lease maintains a minimum net worth of \$200.0 million.

## **Events of Default**

Among other things, each of the following events with respect to Global Ship Lease or any of its subsidiaries, in some cases after the passage of time or notice or both, is an event of default under the credit facility agreement:

non-payment of amounts due and payable under this credit facility within four business days of the due date;

Global Ship Lease or its subsidiaries' breach of Global Ship Lease's non-financial covenants and failure to remedy within seven business days of receipt of a notice;

Global Ship Lease's breach of a financial covenant;

cross default with respect to Global Ship Lease and its subsidiaries' other obligations for any amount in excess of \$15.0 million (with respect to Global Ship Lease) and \$10.0 million (with respect to its subsidiaries);

if any person other than CMA CGM, and not agreed to by the lenders, acquires more than 51% of its outstanding voting shares; and

default of the initial Charterer or the Charter Guarantor which is continuing in respect of three or more of the time charter contracts associated with its initial and contracted fleet or default of more than half by number of the time charters associated with any approved charterer (provided such charterer is the charterer of at least 25% of Global Ship Lease's vessels).

The credit facility agreement provides that upon the occurrence of an event of default, the lenders may require that all amounts outstanding under the credit facility be repaid immediately and terminate Global Ship Lease's ability to borrow under the credit facility and foreclose on the mortgages over the vessels and the related collateral.

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**SHIP MANAGER AND MANAGEMENT RELATED AGREEMENTS OF GLOBAL SHIP LEASE**

The following is a summary of the material terms of the ship management agreements and the global expense agreement. For more information, you should read each vessel's ship management agreement and the global expense agreement filed as exhibits to the registration statement of which this joint proxy statement/prospectus forms a part. You can also obtain copies of these agreements by following the instructions under "Where You Can Find Additional Information."

**General**

Global Ship Lease's Ship Manager, CMA Ships, provides day-to-day technical ship management services, including purchasing, crewing, vessel maintenance including arranging drydocking inspections and ensuring compliance with flag, class and other statutory requirements necessary to support Global Ship Lease's business. CMA CGM guarantees the performance of all services and any payment due to Global Ship Lease by its Ship Manager pursuant to the ship management agreements.

As of March 31, 2008, Global Ship Lease's Ship Manager's parent company, CMA CGM, managed the 106 container vessels that it owned in its 393-vessel fleet.

**Ship Management Agreements**

Global Ship Lease has entered into individual ship management agreements with its Ship Manager to manage each vessel in its initial fleet and will enter into individual ship management agreements with its Ship Manager to manage each vessel in its contracted fleet. Pursuant to its ship management agreements, Global Ship Lease expects to pay its Ship Manager for its services an annual management fee of \$114,000 per vessel. Under the ship management agreements, its Ship Manager is responsible for all day-to-day ship management, including crewing, purchasing stores, lubricating oils and spare parts, paying wages, pensions and insurance for the crew, and organizing other vessel operating necessities, including the arrangement and management of drydocking. Global Ship Lease will reimburse the Ship Manager for costs it incurs on Global Ship Lease's behalf. However, such cost reimbursement is capped on a quarterly basis pursuant to the global expense agreement described in more detail below in "Global Expense Agreement." Each ship management agreement provides that Global Ship Lease has the right to audit the accounts of its Ship Manager to verify the costs incurred. The Ship Manager has agreed to maintain Global Ship Lease's vessels so that they remain in class with valid certification. In addition, the Ship Manager will be responsible for Global Ship Lease's fleet's compliance with all government and other regulations, and compliance with class certifications.

Global Ship Lease's Ship Manager has established an accounting system and maintains the records of all costs and expenditures incurred as well as data necessary for the settlement of accounts between parties. Global Ship Lease will arrange for insurance coverage for each of its vessels, including hull and machinery insurance, protection and indemnity insurance and war risk insurance and Global Ship Lease will be responsible for the payment of all premiums.

Global Ship Lease's Ship Manager is required to use its best endeavors to provide the services specified in the ship management agreements. Pursuant to the terms of the ship management agreements, Global Ship Lease will indemnify its Ship Manager and its employees, agents and sub-contractors and hold them harmless against all actions, proceedings, claims, demands or liabilities which may be brought against them or incurred by them arising out of or in connection with the performance of the ship management agreements, unless the same is proved to have resulted solely from the negligence, gross negligence or willful default of the Ship Manager, its employees, agents and sub-contractors.

Global Ship Lease's Ship Manager will not be permitted to sub-contract its obligations under the ship management agreements without Global Ship Lease's consent, which Global Ship Lease will not unreasonably

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withhold. With Global Ship Lease's consent, the Ship Manager has sub-contracted certain of its management services under eight of its ship management agreements to its UK subsidiary, CMA Ships UK, and four of its ship management agreements to Midocean, an unaffiliated third party with whom it had existing agreements and that manages the four relevant vessels. Under the ship management agreements between the Ship Manager and Midocean, Midocean provides basic crewing, technical management and accounting services to four vessels that were owned by CMA CGM's wholly owned subsidiary, Delmas S.A.S. and were subsequently sold to Global Ship Lease.

Global Ship Lease is under no obligation to hire the Ship Manager to manage any vessel it may acquire other than the vessels in Global Ship Lease's initial and contracted fleet. Global Ship Lease's ship management agreements with the Ship Manager have a term of three years subject to the termination rights set forth below.

### ***Global Ship Lease's Termination Rights***

The ship management agreements are cancelable by Global Ship Lease if its Ship Manager fails to meet its obligations under the ship management agreements for any reason within its control and fails to remedy the default. In addition, after a ship management agreement has been in effect for one year, Global Ship Lease has the option of terminating the ship management agreement upon three months notice if Global Ship Lease can secure more competitive pricing from a recognized third party, approved by CMA CGM as charterer of the vessels, such approval not to be unduly withheld, subject to CMA CGM's right to match the third party's terms.

The current agreements have been in effect since the acquisition of the initial fleet in December 2007 and January 2008.

### ***Other Termination Rights***

Global Ship Lease's Ship Manager can terminate the agreement prior to the end of its term if, among other things: (a) it has not been paid within 30 days of a written request for payment (and Global Ship Lease fails to remedy such default) or (b) Global Ship Lease undergoes a change in control other than the Merger.

Either party may terminate a ship management agreement in the event of an order being made or a resolution being passed for the winding up, dissolution or bankruptcy of either party, or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes a special arrangement with its creditors. The ship management agreement will also terminate if the vessel becomes a total loss, is declared as a constructive or compromised or arranged total loss, is requisitioned or sold.

**Table of Contents****Global Expense Agreement**

Pursuant to the ship management agreements, ship operating expenses incurred by the Ship Manager on Global Ship Lease's behalf in the operation of its fleet will be reimbursed. Pursuant to the global expense agreement that Global Ship Lease entered into with its Ship Manager, these expenses will be subject to a quarterly cap. Drydocking expenses and insurance premiums are not included in the cap arrangements. For each quarterly period, its Ship Manager bears the amount (if any) by which the actual aggregate expenses, excluding drydocking expenses and insurance premiums, and costs of accidents and incidents incurred with respect to all vessels in service exceed the aggregate cap for such quarterly period. The table below sets out the per diem cap per vessel.

<b>Vessel Name</b>	<b>Per Diem Cap (\$)</b>
<i>Ville d'Orion</i>	6,400
<i>Ville d'Aquarius</i>	6,400
<i>CMA CGM Matisse</i>	5,400
<i>CMA CGM Utrillo</i>	5,400
<i>MOL Rainbow</i>	5,400
<i>Julie Delmas</i>	5,400
<i>Marie Delmas</i>	5,400
<i>CMA CGM La Tour</i>	5,400
<i>CMA CGM Manet</i>	5,400
<i>Kumasi</i>	5,400
<i>CMA CGM Alcazar</i>	5,900
<i>CMA CGM Château d'If</i>	5,900
<i>Hull 4126 (Newbuilding)</i>	8,800
<i>CMA CGM Jamaica</i>	6,650
<i>CMA CGM Sambhar</i>	6,650
<i>CMA CGM America</i>	6,650
<i>CMA CGM Berlioz</i>	7,800

Once its ship management agreements and the global expense agreement with its Ship Manager expire or are terminated, Global Ship Lease may not be able to negotiate for similar terms in replacement agreements.

Also in the global expense agreement, CMA CGM has agreed, effective as of the fourth year of each charter agreement, to compensate Global Ship Lease, for any vessel in its initial and contracted fleet by the amount by which actual operating costs per day (excluding any drydock costs and insurance premiums) are greater than \$500 over a specified amount, which specified amount is based on projected costs over the life of each charter, provided more than 50% of such increase is attributable to crew and lubricating oil costs, such compensation not to exceed \$500 per day per vessel.

**Table of Contents****MARATHON SELECTED FINANCIAL INFORMATION**

Marathon Acquisition Corp. was incorporated in Delaware on April 27, 2006 as a blank check company for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses. Marathon has not acquired an entity as of the date of this joint proxy statement/prospectus. Marathon has selected December 31 as its fiscal year end. Marathon is considered to be in the development stage and is subject to the risks associated with activities of development stage companies. The condensed financial information set forth below should be read in conjunction with the audited financial statements of Marathon and related notes included elsewhere in this joint proxy statement/prospectus.

**Marathon Acquisition Corp.****Balance Sheets**

	<b>March 31, 2008 (Unaudited)</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
Cash and cash equivalents	\$ 2,132,372	\$ 2,671,034	\$ 1,370,943
Investments held in trust account	316,142,702	314,130,809	308,608,131
Interest receivable	450,781	999,199	1,333,770
Prepaid expenses	945,932	498,074	181,304
Deferred tax asset			193,441
Deferred acquisition costs	1,421,951		
<b>Total assets</b>	<b>\$ 321,093,738</b>	<b>\$ 318,299,116</b>	<b>\$ 311,687,589</b>
Total liabilities	10,211,133	6,616,181	6,687,450
Common stock subject to possible redemption	61,795,116	61,795,116	61,795,116
Interest attributable to common stock subject to possible conversion (net of income taxes of \$1,156,989)	1,612,462	1,402,720	
Total stockholders equity	247,475,027	248,485,099	243,205,023
<b>Total liabilities and stockholders equity</b>	<b>\$ 321,093,738</b>	<b>\$ 318,299,116</b>	<b>\$ 311,687,589</b>

**Table of Contents****Marathon Acquisition Corp.****Statements of Operations**

	Three Months ended March 31, 2008 (Unaudited)	Three Months ended March 31, 2007 (Unaudited)	Period from April 27, 2006 (inception) through March 31, 2008 (in U.S. dollars)	For the year ended December 31, 2007	For the period April 27, 2006 (inception) through December 31, 2006
Loss from operations	\$ (1,862,784)	\$ (286,275)	\$ (3,470,688)	\$ (1,183,948)	\$ (423,957)
Interest income	1,953,413	3,911,907	22,082,681	14,875,339	5,253,929
Income before provision for income taxes	90,629	3,625,632	18,611,993	13,691,391	4,829,972
Provision for income taxes	(890,960)	(1,639,000)	(10,082,512)	7,008,594	2,182,957
Net Income (loss)	(800,331)	1,986,632	8,529,481	6,682,797	2,647,015
Less: Interest attributable to common stock subject to possible conversion (net of income taxes of \$1,156,989)	(209,741)	(221,646)	(1,612,462)	(1,402,721)	
Net income (loss) attributable to common stock not subject to possible conversion	\$ (1,010,072)	\$ 1,764,986	\$ 6,917,019	\$ 5,280,076	\$ 2,647,015
Maximum number of shares subject to possible conversion:					
Weighted average shares outstanding subject to possible conversion	8,033,166	8,033,166		8,003,166	4,162,937
Income (loss) per share amount (basic and diluted)	\$ (0.03)	\$ 0.03		\$ 0.18	\$ 0.00
Weighted average number of shares outstanding not subject to possible conversion					
Basic	41,407,684	41,407,684		41,407,684	26,035,219
Diluted	41,407,684	50,682,881		52,374,624	30,224,108
Net income (loss) per share amount					
Basic	\$ (0.02)	\$ 0.04		\$ 0.13	\$ 0.10
Diluted	\$ (0.02)	\$ 0.03		\$ 0.10	\$ 0.09

**Table of Contents****Marathon Acquisition Corp.****Statements of Stockholders Equity****For the period from April 27, 2006 (inception) through March 31, 2008**

	Common Stock		Additional Paid-In Capital (in U.S. dollars)	Earnings Accumulated in the Development Stage	Stockholders Equity
	Shares	Amount			
Issuance of common stock to initial stockholders	9,375,000	\$ 938	\$ 24,062	\$	\$ 25,000
Sale of 40,035,850 units, net of underwriters discounts and commissions and offering expenses (including 8,003,1666 shares subject to possible conversion)	40,035,850	4,004	296,824,120		296,828,124
Sale of private placement warrants			5,500,000		5,500,000
Net proceeds subject to possible conversion of 8,003,166 shares			(61,795,116)		(61,795,116)
Net Income				2,647,015	2,647,015
Balance at December 31, 2006	49,410,850	\$ 4,942	\$ 240,553,066	\$ 2,647,015	\$ 243,205,023
Accretion of trust account relating to common stock subject to possible conversion				(1,402,721)	(1,402,721)
Net income				6,682,797	6,682,797
Balance at December 31, 2007	49,410,850	\$ 4,942	\$ 240,553,066	\$ 7,927,091	\$ 248,485,099
Accretion of trust account relating to common stock subject to possible conversion				(209,741)	(209,741)
Net (loss)				(800,331)	(800,331)
Balance at March 31, 2008 (unaudited)	49,410,850	\$ 4,942	\$ 240,553,066	\$ 6,917,019	\$ 247,475,027

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS OF MARATHON**

**Overview**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with Marathon's financial statements and the related notes and schedules thereto.

Marathon was formed on April 27, 2006 as a blank check company for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses.

As of March 31, 2008, approximately \$316.1 million was held in trust (plus accrued interest of approximately \$0.5 million, excluding \$6.4 million of deferred underwriting discounts and commissions). Marathon has incurred, and expect to continue to incur, substantial costs related to the Merger. As of March 31, 2008, however, Marathon had only approximately \$2.1 million of unrestricted cash available for completing the Merger, for payment of approximately \$3.1 million of accrued expenses and for general corporate purposes. As a result, Marathon cannot assure stockholders that the cash Marathon has available will be sufficient to cover its expenses.

The initial target business or businesses with which Marathon combines must have a collective fair market value equal to at least 80% of the balance in the trust account (excluding deferred underwriters' discounts and commissions). However, Marathon may not use all of the proceeds held in the trust account in connection with a business combination, either because the consideration for the business combination is less than the proceeds in trust or because Marathon finances a portion of the consideration with capital stock or debt securities that it can issue. In that event, the proceeds held in the trust account as well as any other net proceeds not expended will be used to finance the operations of the target business or businesses.

Marathon may issue additional capital stock or debt securities to finance a business combination. The issuance of additional capital stock, including upon conversion of any convertible debt securities Marathon may issue, or the incurrence of debt, could have material consequences on Marathon's business and financial condition. The issuance of additional shares of Marathon's capital stock (including upon conversion of convertible debt securities):

- may significantly reduce the equity interest of Marathon's stockholders;

- will likely cause a change in control if a substantial number of Marathon's shares of common stock or voting preferred stock are issued, which may affect, among other things, Marathon's ability to use its net operating loss carry forwards, if any, and may also result in the resignation or removal of one or more of our present officers and directors; and

- may adversely affect prevailing market prices for Marathon's common stock.

Similarly, if Marathon issues debt securities, it could result in:

- default and foreclosure on Marathon's assets if its operating revenues after a business combination are insufficient to pay its debt obligations;

- acceleration of Marathon's obligations to repay the indebtedness even if Marathon makes all principal and interest payments when due if Marathon breaches the covenants contained in any debt securities, such as covenants that require the satisfaction or maintenance of certain financial ratios or reserves, without a waiver or renegotiation of such covenants;



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an obligation to immediately repay all principal and accrued interest, if any, upon demand to the extent any debt securities are payable on demand; and

Marathon's inability to obtain additional financing, if necessary, to the extent any debt securities contain covenants restricting Marathon's ability to obtain additional financing while such security is outstanding, or to the extent Marathon's existing leverage discourages other potential investors.

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Through March 31, 2008, Marathon's efforts have been limited to organizational activities, activities relating to Marathon's initial public offering, activities relating to identifying and evaluating prospective acquisition candidates, and activities relating to general corporate matters; Marathon has incurred significant costs conducting due diligence and negotiating the Merger; and Marathon has neither engaged in any operations nor generated any revenues, other than interest income earned on the proceeds of its private placement and initial public offering. Marathon earned approximately \$2.0 million in interest income for the three months ended March 31, 2008, of which approximately \$1.5 million was received and approximately \$0.5 million was accrued as of March 31, 2008.

As of March 31, 2008, Marathon had only approximately \$2.1 million of unrestricted cash available for completing the Merger, for payment of approximately \$3.1 million of accrued expenses and for general corporate matters. The following table shows the total funds held in the trust account through March 31, 2008:

Net proceeds from Marathon's initial public offering and private placement of warrants to Marathon Investors, LLC placed in trust	\$ 302,416,724
Deferred underwriters' discounts and commissions	6,405,736
Total interest received to date	21,360,648
Less total interest disbursed to Marathon for working capital through March 31, 2008	3,900,000
Less total taxes paid through March 31, 2008	10,140,406
<b>Total funds held in trust account at March 31, 2008</b>	<b>\$ 316,142,702</b>
Interest Receivable attributable to the Trust	\$ 450,781

For the three months ended March 31, 2008, Marathon paid or incurred an aggregate of approximately \$3.3 million (excluding income taxes) in expenses for the following purposes:

premiums associated with Marathon's directors and officers liability insurance;

payment of estimated taxes incurred as a result of interest income earned on funds currently held in the trust account;

expenses for due diligence and investigation of prospective target businesses;

legal and accounting fees relating to Marathon's SEC reporting obligations and general corporate matters; and

miscellaneous expenses.

This represents an increase in expenses from the three months ended March 31, 2007 of approximately \$613,000, reflecting additional legal and accounting fees and due diligence expenses associated with the negotiation and entry into the merger agreement.

Marathon believes that it will have sufficient funds to allow it to operate through August 30, 2008 (its deadline to complete a business combination), at which time it will be forced to liquidate, assuming that a business combination is not consummated during that time. On February 20, 2008, Marathon announced that it had met the criteria under its certificate of incorporation permitting it to extend the period in which it is able to complete a business combination until the expiration of the 24-month period from the consummation of its initial public offering, or August 30, 2008. Accordingly, Marathon's auditors' opinion includes an explanatory paragraph expressing substantial doubt about Marathon's ability to continue as a going concern. Over this time period, Marathon anticipates incurring expenses for the following purposes:

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payment of premiums associated with Marathon's director's and officer's insurance;

payment of estimated taxes incurred as a result of interest income earned on funds currently held in the trust account;

due diligence and investigation of prospective target businesses;

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legal and accounting fees relating to Marathon's SEC reporting obligations and general corporate matters;

structuring and negotiating a business combination, including the making of a down payment or the payment of exclusivity or similar fees and expenses; and

other miscellaneous expenses.

**Results of Operations**

***Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007***

For the three months ended March 31, 2008, Marathon earned approximately \$2.0 million of interest income compared to approximately \$3.9 million of interest income for the three months ended March 31, 2007, reflecting lower interest rates on its funds during the three months ended March 31, 2008 partially offset by a higher average investment balance during 2008. Average three-month LIBOR during the first three months of 2007 was approximately 3.62% while average three-month LIBOR during the first three months of 2007 was 5.36%.

Net loss from operations was \$1.8 million for the three months ended March 31, 2008 compared with a net loss from operations of \$0.3 million for the three months ended March 31, 2007. The increase in net loss from operations during 2008 was primarily due to increases in expenses related to finding an acquisition target including due diligence and legal expenses.

Despite recording a net loss, Marathon recognized a provision for income taxes of \$0.8 million for the three months ended March 31, 2008, due to the recognition of a valuation allowance for deferred tax assets totaling \$0.9 million. The provision for income taxes was \$1.6 million or 45.5% for the three months ended March 31, 2007.

***Year Ended December 31, 2007 Compared to the Period from April 27, 2006 through December 31, 2006***

Marathon earned approximately \$14.9 million and \$5.2 million in interest income for the year ended December 31, 2007 and for the period from April 27, 2006 through December 31, 2006, respectively. The increase in interest income during 2007 was primarily due to a longer investment period and a higher average invested balance during 2007. The investment period for the year ended December 31, 2007 was 12 months while the period from April 27, 2006 through December 31, 2006 was only approximately eight months. Average three-month LIBOR during 2007 was approximately 5.31% while average three-month LIBOR during the last eight months of 2006 was 5.39%.

Loss from operations was \$1.2 million for the year ended December 31, 2007 compared with a loss of \$0.4 million for the period from April 27, 2006 through December 31, 2006. The increase in loss from operations during 2007 was primarily due to increases in expenses related to finding an acquisition target including due diligence and legal expenses. Recurring expenses such as insurance, auditing and SEC reporting expenses were also greater during the 12 month of 2007 versus an eight-month period in 2006.

The effective tax rate for 2007 was 51.1% versus 45.5% for 2006. The increase during 2007 was primarily attributable to a \$725,000 increase in the deferred tax valuation allowances during 2007, which includes the establishment of a valuation allowance against the deferred tax assets of December 31, 2007.

Beginning in the first quarter of 2007, Marathon earned enough interest on a cumulative basis to begin accreting interest income to common stock subject to possible conversion. Interest attributable to common stock subject to possible conversion was \$1.4 million for the year ended December 31, 2007, net of income taxes of \$1.2 million. During 2006, Marathon had not earned enough interest on a cumulative basis to begin accreting interest income to common stock subject to possible conversion.

**Table of Contents****Impact of Possible Conversion on Stockholders' Equity**

The following table demonstrates the possible impact of 5%, 10%, 15% and 19.9% conversions on Stockholders' Equity.

	5% Conversion	10% Conversion	15% Conversion	19.9% Conversion
	(numbers in thousands)			
Common stock subject to possible redemption	15,457	30,913	46,370	61,795
Interest attributable to common stock subject to possible conversion	403	807	1,210	1,613
Common stock - Marathon	5	5	5	5
Additional paid in capital	286,892	271,435	255,979	240,553
Retained earnings (deficit)	8,127	7,724	7,320	6,917

**Recent Developments**

On February 20, 2008, Marathon announced that it had met the criteria under its certificate of incorporation permitting it to extend the period in which it is able to complete a business combination until the expiration of the 24-month period from the consummation of its initial public offering, or August 30, 2008.

On March 21, 2008, Marathon entered into the merger agreement with GSL Holdings, CMA CGM and Global Ship Lease pursuant to which Marathon will merge with and into GSL Holdings, its newly-formed, wholly owned Marshall Islands subsidiary, and then Global Ship Lease will merge with and into GSL Holdings, with GSL Holdings continuing as the surviving company incorporated in the Republic of the Marshall Islands and to be renamed Global Ship Lease, Inc. As a result of the Merger, each holder of a share of Marathon common stock issued and outstanding immediately prior to the effective time of the Merger will receive Class A common shares of GSL Holdings, except that Marathon Founders, LLC and other initial stockholders will receive an aggregate of 5,000,000 Class B common shares of GSL Holdings in lieu of an equal number of Class A common shares. CMA CGM will receive \$66,570,135 in cash, 7,844,600 Class A common shares of GSL Holdings, 5,000,000 Class B common shares of GSL Holdings, and 12,375,000 Class C common shares of GSL Holdings. The Merger is expected to be completed during the third quarter of 2008, pending stockholder and warrant holder approval and there can be no assurance that the business combination will be consummated. Please see The Merger Agreement.

**Subsequent Developments**

Immediately prior to the Merger, Global Ship Lease will enter into an amendment and restatement of the asset purchase agreement with CMA CGM and certain of its vessel-owning subsidiaries pursuant to which Global Ship Lease will purchase five additional vessels from CMA CGM with expected deliveries in December 2008 and July 2009 for an aggregate purchase price of \$437 million, of which \$99 million will be deemed to be prepaid by the consideration paid to CMA CGM in the Merger. Please see Other Transaction Agreements Asset Purchase Agreement and Acquisition of Initial and Contracted Fleet of Global Ship Lease Asset Purchase Agreement.

In connection with the Merger, GSL Holdings will enter into a stockholders agreement with CMA CGM and Marathon Founders, LLC, pursuant to which such shareholders will agree not to transfer any common shares of GSL Holdings (excluding common shares underlying the sponsor warrants or received with respect to Marathon securities purchased after Marathon initial public offering) prior to the first anniversary of the date of the Merger other than to affiliates or to the members of Marathon Founders, LLC who agree to be subject to such transfer restrictions. Please see Other Transaction Agreements Stockholders Agreement.

In connection with the Merger, GSL Holdings will enter into a registration rights agreement with CMA CGM, Marathon Investors, LLC, Marathon Founders, LLC and the other initial stockholders of Marathon.

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common stock (including Michael Gross), pursuant to which GSL Holdings will agree to register for resale on a registration statement under the Securities Act of 1933, as amended, and applicable state securities laws, the common shares to be issued to such shareholders pursuant to the Merger or upon exercise of warrants. Please see Other Transaction Agreements Registration Rights Agreement.

**Quantitative and Qualitative Disclosure About Market Risk**

To date, Marathon's efforts have been limited to organizational activities and activities relating to the identification of a target business; Marathon has neither engaged in any operations nor generated any revenues. As the proceeds from Marathon's initial public offering held in trust have been invested in short term investments, Marathon's only market risk exposure relates to fluctuations in interest rates.

As of March 31, 2008, approximately \$316.1 million (plus accrued interest of approximately \$0.5 million excluding approximately \$6.4 million of deferred underwriting discounts and commissions) was held in trust for the purposes of consummating a business combination. The proceeds held in trust (including approximately \$6.4 million of deferred underwriting discounts and commissions) have been invested in a money market fund that invests principally in short-term securities issued or guaranteed by the United States. As of March 31, 2008, the effective annualized interest rate payable on Marathon's investment was approximately 3.6%. Assuming no other changes to Marathon's holdings as of March 31, 2008, a 1% decrease in the underlying interest rate payable on Marathon's investment as of March 31, 2008 would result in a decrease of approximately \$791,032 in the interest earned on Marathon's investment for the following 90-day period, and a corresponding decrease in its net increase in stockholders' equity resulting from operations, if any, for that period.

Marathon has not engaged in any hedging activities since its inception on April 27, 2006. Marathon does not expect to engage in any hedging activities with respect to the market risk to which it is exposed.

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**MARATHON BUSINESS**

**General**

Marathon was formed on April 27, 2006 as a blank check company for the purpose of acquiring, through a merger, stock exchange, asset acquisition, reorganization or similar business combination, one or more operating businesses.

On August 30, 2006, Marathon consummated its initial public offering of 37,500,000 units, each consisting of one share of common stock and one warrant exercisable for an additional share of common stock at an exercise price of \$6.00 per warrant, and received proceeds of approximately \$279,000,000, net of underwriting discounts and commissions of approximately \$21,000,000 (including approximately \$6,000,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). In addition, on September 22, 2006 the underwriters for Marathon's initial public offering exercised their over-allotment option, which closed on September 27, 2006, generating proceeds of approximately \$18,867,000, net of underwriting discounts and commissions of approximately \$1,420,000 (including approximately \$400,000 of deferred underwriting discounts and commissions placed in a trust account pending completion of a business combination). On August 30, 2006, Marathon also consummated a private placement of warrants, which it refers to as the sponsor warrants, to Marathon Investors, LLC, an entity owned and controlled by Marathon's chief executive officer for an aggregate purchase price of \$5,500,000, which proceeds were also placed in the trust account.

Approximately \$308.8 million of the proceeds of Marathon's initial public offering and the concurrent sale of the sponsor warrants (including deferred underwriting discounts and commissions of approximately \$6.4 million) was placed in a trust account subsequent to completion of Marathon's initial public offering.

**Effecting a Business Combination**

***General***

Marathon intends to utilize the cash proceeds of its initial public offering and the concurrent private placement of sponsor warrants, its capital stock, debt or a combination of these as the consideration to be paid in a business combination. While substantially all of the net proceeds of its initial public offering and the concurrent private placement of sponsor warrants are allocated to completing a business combination, the proceeds are not otherwise designated for more specific purposes, other than as discussed below. If Marathon engages in a business combination with a target business using Marathon's capital stock and/or debt financing as the consideration to fund the combination, proceeds from Marathon's initial public offering and the concurrent private placement of sponsor warrants will then be used to undertake additional acquisitions or to fund the operations of the target business on a post-combination basis. Marathon may engage in a business combination with a company that does not require significant additional capital but is seeking a public trading market for its shares, and which wants to merge with an already public company to avoid the uncertainties associated with undertaking its own public offering. These uncertainties include time delays, compliance and governance issues, significant expense, a possible loss of voting control, and the risk that market conditions will not be favorable for an initial public offering at the time the offering is ready to be sold. Marathon may seek to effect a business combination with more than one target business, although Marathon's limited resources may serve as a practical limitation on its ability to do so.

***Fair market value of target business or businesses***

The initial target business or businesses with which Marathon combines must have a collective fair market value equal to at least 80% of the balance in the trust account (excluding deferred underwriting discounts and commissions of approximately \$6.4 million) at the time of such business combination. Notwithstanding such fact, Marathon may seek to consummate a business combination with an initial target business or businesses with a collective fair market value in excess of 80% of the balance in the trust account.

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Based on the determinations of Marathon's board of directors and in conjunction with Jefferies' conclusion in their fairness opinion presented to the board, the Global Ship Lease transaction satisfies the 80% test and the consideration being paid in the Merger is fair to Marathon from a financial point of view.

### ***Opportunity for stockholder approval of business combination***

In connection with the vote required for any business combination, Marathon's initial stockholders have agreed to vote their respective shares of common stock acquired by them prior to their initial public offering in accordance with the majority of the shares of common stock voted by the public stockholders. Marathon's initial stockholders and Marathon Investors, LLC have also agreed that they will vote any shares they purchase in the open market in or after the initial public offering in favor of a business combination. Marathon will proceed with the business combination only if a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and public stockholders owning less than 20% of the shares sold in the initial public offering exercise their conversion rights. Voting against the business combination alone will not result in conversion of a stockholder's shares into a pro rata share of the trust account. To do so, a stockholder must have also exercised the conversion rights described below.

### ***Conversion rights***

At the time Marathon seeks stockholder approval of any business combination, Marathon will offer each public stockholder the right to have such stockholder's shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and completed. The actual per share conversion price, which Marathon refers to as the Conversion Price, will be equal to the aggregate amount then on deposit in the trust account, before payment of deferred underwriting discounts and commissions and including accrued interest, net of any income taxes on such interest, which shall be paid from the trust account, and net of interest income of \$3.9 million previously released to Marathon to fund working capital requirements (subject to the tax holdback) (calculated as of two business days prior to the consummation of the Merger), divided by the number of shares sold in the initial public offering. The Conversion Price, based upon the proceeds of Marathon's initial public offering and the concurrent private place of the sponsor warrants placed in the trust account, without taking into account interest earned on the trust account subsequent to Marathon's initial public offering, would be less than the per-unit offering price of \$8.00 in Marathon's initial public offering.

In connection with the vote required for any business combination, Marathon's initial stockholders have agreed to vote their respective shares of common stock acquired by them prior to Marathon's initial public offering in accordance with the majority of the shares of common stock voted by the public stockholders. Marathon's initial stockholders and Marathon Investors, LLC have also agreed that they will vote any shares they purchase in the open market in or after Marathon's initial public offering in favor of a business combination. As a result, Marathon's initial stockholders and Marathon Investors, LLC will not be able to exercise conversion rights with respect to shares acquired by them before, in or after Marathon's initial public offering.

An eligible stockholder may request conversion at any time after the mailing to Marathon's stockholders of the proxy statement and prior to the vote taken with respect to a proposed business combination at a meeting held for that purpose, but the request will not be granted unless the stockholder votes against the business combination and the business combination is approved and completed. If a stockholder votes against the business combination but fails to properly exercise its conversion rights, such stockholder will not have its shares of common stock converted to its pro rata distribution of the trust account. Any request for conversion, once made, may be withdrawn at any time up to the date of the meeting. It is anticipated that the funds to be distributed to stockholders entitled to convert their shares who elect conversion will be distributed promptly after completion of a business combination. Public stockholders who convert their stock into their share of the trust account will still have the right to exercise the warrants that they received as part of the units. Marathon will not complete its



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proposed initial business combination if public stockholders owning 20% or more of the shares sold in its initial public offering exercise their conversion rights. For specific instructions regarding share conversions, please see *Special Meeting of Marathon Stockholders Conversion Rights*.

If the initial business combination is not approved or completed for any reason, then public stockholders voting against Marathon's initial business combination will not be entitled to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the trust account. Such public stockholders would only be entitled to their pro rata share of the aggregate amount on deposit in the trust account in the event that such stockholders elect to vote against a subsequent business combination which is approved by stockholders and completed, or in connection with Marathon's dissolution and liquidation.

Since the Conversion Price, based upon the proceeds of Marathon's initial public offering and the concurrent private placement of the sponsor warrants placed in the trust account, without taking into account interest earned on the trust account subsequent to Marathon's initial public offering, would be lower than the \$8.00 per unit offering price in Marathon's initial public offering, and may be less than the market price of the common stock on the date of conversion, there may be a disincentive on the part of public stockholders to exercise their conversion rights.

### ***Liquidation if no business combination***

If Marathon is unable to complete a business combination by August 30, 2008, it will take all necessary actions to dissolve and liquidate as expeditiously as possible. As required under Delaware law, Marathon will seek stockholder approval for any such plan of dissolution and liquidation. The initial stockholders have agreed to vote in favor of any such plan of dissolution and liquidation in these circumstances. Upon the approval by Marathon's stockholders of Marathon's plan of dissolution and liquidation, Marathon will liquidate its assets, including the trust account, and after reserving amounts from the interest earned on the trust account available to it as working capital requirements to cover the costs of dissolution and liquidation, distribute those assets solely to its public stockholders. Agreements with the initial stockholders do not permit them to participate in any liquidation distribution occurring upon Marathon's failure to consummate a business combination with respect to those shares of common stock acquired by them before Marathon's initial public offering. They will participate in any liquidation distribution with respect to any shares of common stock acquired in connection with or following Marathon's initial public offering. There will be no distribution from Marathon's trust account with respect to its warrants, and all rights with respect to its warrants will effectively cease upon Marathon's liquidation. Upon notice from Marathon, the trustee of the trust account will commence liquidating the investments constituting the trust account and will turn over the proceeds to Marathon's transfer agent for distribution to Marathon's public stockholders.

Under Delaware law, creditors of a corporation have a superior right to stockholders in the distribution of assets upon dissolution. Consequently, if the trust account is dissolved and paid out prior to all creditors being paid on their claims, stockholders may be held liable for claims by third parties against Marathon to the extent of distributions received by them in a dissolution.

Marathon expects that all costs associated with implementing its plan of dissolution and liquidation as well as payments to any creditors will be funded from the interest on the trust account available to Marathon as working capital. If such funds are insufficient to cover the costs of Marathon's dissolution and liquidation, Mr. Gross has agreed to indemnify Marathon for Marathon's out-of-pocket costs associated with such dissolution and liquidation, excluding any special, indirect or consequential costs, such as litigation, pertaining to such dissolution and liquidation. Marathon estimates that its total costs and expenses for implementing and completing its stockholder-approved plan of dissolution and liquidation will be in the range of \$50,000 to \$75,000. This amount includes all costs and expenses relating to filing of Marathon's dissolution in the State of Delaware, the winding up of the company and the costs of a proxy statement and meeting relating to the approval by its stockholders of its plan of dissolution and liquidation.

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Marathon's public stockholders shall be entitled to receive funds from the trust account only in the event of Marathon's liquidation or if the stockholders seek to convert their respective shares into cash upon a business combination which the stockholder voted against and which is actually completed by Marathon. In no other circumstances shall a stockholder have any right or interest of any kind to or in the trust account.

### **Administrative Services Agreement**

Marathon has agreed to pay Marathon Management, LLC, an entity owned and controlled by Mr. Gross, a total of \$7,500 per month for office space, administrative services and secretarial support. Mr. Gross is Marathon's chairman and chief executive officer. This arrangement was agreed to by Marathon and Marathon Management, LLC for Marathon's benefit and is not intended to provide Mr. Gross compensation in lieu of a salary or other remuneration because it is anticipated that the expenses to be paid by Marathon Management, LLC will approximate the monthly reimbursement. Marathon believes that such fees are at least as favorable as it could have obtained from an unaffiliated person. Upon completion of a business combination or Marathon's liquidation, Marathon will cease paying these monthly fees.

### **Facilities**

Marathon currently maintains its executive offices at, 500 Park Avenue, 5th Floor, New York, New York. The cost of this space is included in the \$7,500 per-month fee described above that Marathon Management, LLC charges Marathon for general and administrative services. Marathon believes, based on rents and fees for similar services in the New York City metropolitan area that the fee charged by Marathon Management, LLC is at least as favorable as Marathon could have obtained from an unaffiliated person. Marathon considers its current office space adequate for its current operations.

### **Employees**

Marathon currently has one officer, Mr. Gross. This individual is not obligated to devote any specific number of hours to Marathon's business and intends to devote only as much time as he deems necessary to Marathon's business. Marathon does not intend to have any full-time employees prior to the consummation of a business combination.

### **Legal Proceedings**

Marathon is not currently subject to any material legal proceedings, nor, to its knowledge, is any material legal proceeding threatened against it. From time to time, Marathon may be a party to certain legal proceedings incidental to the normal course of its business. While the outcome of these legal proceedings cannot be predicted with certainty, Marathon does not expect that these proceedings will have a material effect upon its financial condition or results of operations.

**Table of Contents****DIRECTORS, EXECUTIVE OFFICERS, EXECUTIVE COMPENSATION****AND CORPORATE GOVERNANCE****Directors**

Certain information, with respect to each of the current directors of Marathon is set forth below, including their names, ages, a brief description of their recent business experience, including present occupations and employment, certain directorships that each person holds, and the year in which each person became a director. Pursuant to the merger agreement, in addition to Mr. Gross, Marathon has identified certain of the members of the board of directors of GSL Holdings who are expected to be appointed upon the closing of the Merger.

The business address of each director listed below unless otherwise noted is 500 Park Avenue, 5<sup>th</sup> Floor, New York, New York, 10022.

***Directors of Marathon***

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Year Appointed/Elected</b>
Michael S. Gross*	46	Chairman, Chief Executive Officer and Secretary	2006
Adam Aron*	53	Director	2006
Irwin D. Simon*	49	Director	2006
Robert Sheft*	46	Director	2006

\* These individuals will resign upon the completion of the Merger.

**Michael S. Gross** has been the chairman of Marathon's board of directors, chief executive officer and secretary since its inception in April 2006. Mr. Gross is a member of the board of GSL Holdings. Since July 2006, Mr. Gross has been co-chairman of the investment committee of Magnetar Financial LLC, an investment manager, and a senior partner in Magnetar Capital Partners LP, the holding company for Magnetar Financial LLC. Since March 2007, Mr. Gross has served as the chairman, chief executive officer and managing member of Solar Capital, LLC. In such capacities, Mr. Gross heads Magnetar Financial LLC's credit and private investment business. Between February 2004 and February 2006, Mr. Gross was the president and chief executive officer of Apollo Investment Corporation, a publicly traded business development company that he founded and on whose board of directors and investment committee he served as chairman from February 2004 to July 2006, and was the managing partner of Apollo Investment Management, L.P., the investment adviser to Apollo Investment Corporation. From 1990 to February 2006, Mr. Gross was a senior partner at Apollo Management, L.P., a private equity firm which he founded in 1990 with five other persons. In addition, from 2003 to February 2006, Mr. Gross was the managing partner of Apollo Distressed Investment Fund, an investment fund he founded to invest principally in non-control oriented distressed debt and other investment securities of leveraged companies. Mr. Gross currently serves on the boards of directors of Saks, Inc., United Rentals, Inc., Alternative Asset Management Acquisition Corp. and Jarden Corporation.

**Adam Aron** has been a director of Marathon since May 2006. Mr. Aron currently serves as the chairman and chief executive officer of World Leisure Partners, a personal consulting company, whose principal client is Apollo Management L.P. Mr. Aron was chairman of the board of directors and chief executive officer of Vail Resorts, Inc. from July 1996 to February 2006. Vail Resorts owns and operates Vail, Beaver Creek, Breckenridge, Keystone and Heavenly ski resorts in Colorado and California; the Grand Teton Lodge Company in Jackson Hole, Wyoming; the RockResorts collection of luxury resort hotels throughout the United States; and a real estate business. Mr. Aron previously served as president and chief executive officer of Norwegian Cruise Line, senior vice president of marketing for United Airlines and senior vice president-marketing for Hyatt Hotels and Resorts. In addition to serving on Marathon's board of directors, Mr. Aron serves on the board of directors of Starwood Hotels and Resorts Worldwide, FTD Group, Inc. and Rewards Network Inc. He also serves on the

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board of directors of numerous non-profit organizations and is co-chairman of the National Finance Committee of the Washington, D.C.-based Democratic Senatorial Campaign Committee, and a member of the Council on Foreign Relations and Business Executives for National Security.

**Irwin D. Simon** has been a director of Marathon since June 2006. Mr. Simon founded The Hain Celestial Group, Inc. and has been its president and chief executive officer and a director since its inception. Mr. Simon was appointed chairman of the board of directors of Hain Celestial in April 2000. Previously, Mr. Simon was employed in various marketing capacities at Slim-Fast Foods Company and The Haagen-Dazs Company, a division of Grand Metropolitan, plc. Mr. Simon serves as lead director of Jarden Corporation, an independent non-executive director of Yeo Hiap Seng Limited and as a director of several privately-held companies. Mr. Simon is the past chapter chairman of YPO Gotham Chapter, New York City.

**Robert Sheft** has been a director of Marathon since July 2006. Mr. Sheft is the founder, president and chief executive officer of Simply Floored LLC, a flooring company offering shop-at-home services. From 1997 to 2003, Mr. Sheft was the president and chief executive officer of RMA Home Services, Inc., a company which he founded that exclusively managed The Home Depot, Inc.'s installed siding and window business. In 2003, RMA Home Services, Inc. was acquired by The Home Depot, Inc. From 1991 to 1997, Mr. Sheft was engaged in merchant banking at a number of mid-sized regional firms. From 1987 to 1990, Mr. Sheft was a lawyer at Skadden, Arps, Slate, Meagher & Flom LLP where he focused primarily on mergers and acquisitions. On April 9, 2007, Mr. Sheft joined Roark Capital Group, a private equity firm based in Atlanta, as managing director. Mr. Sheft has served on the board of directors of a number of privately held companies and is currently a trustee of Pace Academy in Atlanta, Georgia.

**Directors of GSL Holdings**

Name	Age	Position	Appointed/ Elected
Michael S. Gross	46	Director	2008
Howard Boyd	64	Director	2008
Angus R. Frew	49	Director	2008
Guy Morel	59	Director	2008
Jeffrey D. Pribor	50	Director	2008

**Howard Boyd** is expected to be named as a director of GSL Holdings. In 1996, Mr. Boyd was named chief executive officer of Safmarine, a container liner operator based in Antwerp, which was purchased by AP Moller-Maersk in 1999. Mr. Boyd took a leading role in the takeover and continued as chief executive officer of the separate Safmarine entity until his retirement in 2004. His career with Safmarine began in 1970 when he joined as a tanker accountant. Mr. Boyd held a variety of positions with Safmarine, including financial controller, USA trade executive, chief operating officer of the bulk division and bulk director. He became a member of the Safmarine board of directors in 1998. Since 2004, Mr. Boyd has been a consultant to AP Moller-Maersk, continuing as a director of Safmarine and sitting on the Audit and Remuneration Committees. Mr. Boyd has a Bachelor of Commerce from University of Cape Town and qualified as a South African Chartered Accountant.

**Angus R. Frew** is expected to be named as a director of GSL Holdings. Mr. Frew was president and chief executive officer from 2003 until early 2008 of GE SeaCo SRL, a joint venture between GE Capital and Sea Containers Ltd and one of the largest global container leasing companies. Mr. Frew was a director of the Institute of International Container Lessors from 2003 until early 2008, serving as chairman in 2004, and a director of the Container Owners Association from 2007 to early 2008. Mr. Frew was an officer of Sea Containers Ltd from 2003 to 2005 and senior vice president of its container division. From 1990 to 2002, Mr. Frew held senior management positions in the beverages industry with Grand Metropolitan Plc, Diageo Plc and The Seagram Company Ltd. After qualifying as a British Chartered Accountant in 1983, Mr. Frew held senior financial positions in a number of small entrepreneurial businesses in the IT consultancy, design and retail industries. Mr. Frew has an honours degree in chemistry from the University of Durham.

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**Guy Morel** is expected to be named as a director of GSL Holdings. Mr. Morel is the general secretary of InterManager, the International Association of Shipmanagers. From 2005 to 2007, he was a professor of corporate finance and director of development at the International University of Monaco. From 1993 to 2004, he was the president and chief operating officer of MC Shipping Inc, a company quoted on the American Stock Exchange, and involved in the ownership and time chartering of containerships and LPG carriers. Between 1979 and 1993, Mr. Morel was one of the founders, a director and a shareholder of V.Ships Inc., a leading shipmanagement group, where he was a vice president in charge of strategic planning and marketing. Prior to 1979, he was a consultant with Data Resources Inc., an American consulting group involved in econometric modeling and economic forecasting. Mr. Morel holds a Bachelor's Degree in civil engineering from Ecole Centrale de Paris and an MBA from Harvard Business School.

**Jeffrey D. Pribor** is expected to be named as a director of GSL Holdings. Mr. Pribor is currently executive vice president and the chief financial officer of General Maritime Corporation. Prior to that, from 2002 to 2004, Mr. Pribor was managing director and president of DnB NOR Markets, Inc., the U.S. investment banking division of DnB NOR Bank ASA, responsible for mergers and acquisitions, strategic advisory services and U.S. capital market activities for the bank's shipping, offshore, logistics and energy clients. From 2001 to 2002, Mr. Pribor was managing director and group head of transportation banking at ABN AMRO, Inc. where he was responsible for all commercial and investment banking activities for shipping and other transportation companies in North America. From 1996 to 2001, Mr. Pribor was managing director and sector head of transportation and logistics investment banking for ING Barings. He also worked for over 10 years in the mergers and acquisitions group at Merrill Lynch, and as an attorney in the corporate and banking law practice of Milbank, Tweed, Hadley and McCloy. Mr. Pribor holds a B.A. from Yale University and a J.D. and an M.B.A. from Columbia University.

**Executive Officers**

**Ian J. Webber** was appointed Global Ship Lease's Chief Executive Officer in June of 2007. Upon the completion of the Merger, Mr. Webber will become the Chief Executive Officer of GSL Holdings. From 1979 to 1996, Mr. Webber worked for Pricewaterhouse, the last five years of which he was a partner. From 1996 to 2006, Mr. Webber served as the Chief Financial Officer and a director of CP Ships Limited, a subsidiary of Canadian Pacific Limited until 2001 and thereafter a public company listed on the New York and Toronto stock exchanges until its acquisition by TUI A.G. in 2005. Mr. Webber is a graduate of Cambridge University.

Mr. Webber was named, along with his former employer CP Ships Limited and other officers of that company, as a defendant in a securities class action case before the United States District Court for the Middle District of Florida (the Court). The consolidated amended class action complaint alleged violations of Section 10(b) and Rule 10b-5 of the Exchange Act against all defendants and Section 20(a) of the Exchange Act against the individual defendants. The parties have reached an agreement to settle this class action proceeding in its entirety, pending approval by the Court. Under the proposed terms of the settlement, Mr. Webber denies all wrongdoing and will be fully released from any liability in this matter. The settlement has been preliminarily approved by the Court and a final approval hearing is expected to occur on October 2, 2008. Mr. Webber was also named, along with CP Ships Limited and several of its officers and directors, as a defendant in a purported securities class action pending in Canada. That action, which alleges similar claims to those raised in the United States securities class action case, is ongoing.

**Susan J. Cook** was appointed Global Ship Lease's Chief Financial Officer in August of 2007. Upon the completion of the Merger, Ms. Cook will become the Chief Financial Officer of GSL Holdings. From 1986 to 2006, Ms. Cook worked for The Peninsular and Oriental Steam Navigation Company and served as Group Head of Specialized Finance from 2003 to 2006, Head of Structured Finance from 1999 to 2003, Deputy Group Treasurer from 1994 to 1999 and Treasury Manager from 1989 to 1993. She is a Chartered Management Accountant and a member of the Association of Corporate Treasurers. Ms. Cook graduated from Brunel University and received a Master of Science from Oxford University.

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*Thomas A. Lister* was appointed Global Ship Lease's Chief Commercial Officer effective in February 2008. Upon the completion of the Merger, Mr. Lister will become the Chief Commercial Officer of GSL Holdings. From 2005 until 2007, Mr. Lister was Senior Vice President at DVB Group Merchant Bank (Asia) Ltd, responsible for developing DVB's Singapore ship fund and leasing project. Before that, from 2004 to 2005, he worked for the German KG financier and ship owning group Nordcapital as Director of Business Development. From 1991 to 2002, Mr. Lister worked for a number of shipping companies in both South America and the United States. Mr. Lister graduated from Durham University and holds an MBA from INSEAD.

### **Terms of Office of Directors of GSL Holdings**

GSL Holdings' board of directors is divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the first class of directors, consisting of Mr. Morel and Mr. Pribor, expires at the first annual meeting of stockholders. The term of office of the second class of directors, consisting of Mr. Boyd and Mr. Frew, expires at the second annual meeting of stockholders. The term of office of the third class of directors, consisting of Mr. Gross, expires at the third annual meeting of stockholders.

### **Executive Compensation of Marathon Prior to the Merger**

Members of Marathon's management team, including its directors, have not received any cash or other compensation for services rendered to Marathon to date. Commencing on August 24, 2006 through the acquisition of a target business, Marathon has agreed to pay Marathon Management, LLC, an entity owned and controlled by Mr. Gross, a total of \$7,500 per month for office space and administrative services, including secretarial support. This arrangement was agreed to by Marathon Management, LLC for Marathon's benefit and is not intended to provide Mr. Gross compensation in lieu of a salary. Marathon believes that such fees are at least as favorable as Marathon could have obtained from an unaffiliated third party. No other director has a relationship with or interest in Marathon Management, LLC. For the year ended December 31, 2007, Marathon paid Marathon Management, LLC a total of \$90,000 pursuant to this arrangement.

Other than this \$7,500 per-month fee, no compensation of any kind, including finder's and consulting fees, will be paid to any members of Marathon's management team, or any of their respective affiliates, for services rendered prior to or in connection with a business combination. However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on Marathon's behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. After a business combination, members of Marathon's management team, including Marathon's directors, who remain with Marathon may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials furnished to Marathon's stockholders. It is unlikely the amount of such compensation will be known at the time of a stockholder meeting held to consider a business combination, as it will be up to the directors of the post-combination business to determine executive and director compensation.

### **Employment Agreements and Executive Compensation of Global Ship Lease**

Global Ship Lease Services Limited, Global Ship Lease's wholly owned subsidiary, expects to enter into an employment agreement with Mr. Webber and, pursuant to the terms of an inter-company agreement between Global Ship Lease and Global Ship Lease Services Limited, Mr. Webber will serve as Global Ship Lease's Chief Executive Officer. Pursuant to his employment agreement, Mr. Webber will receive an annual salary of £250,000 and will be eligible to receive a bonus payment up to an annual maximum of 50% of his salary at the discretion of Global Ship Lease Services Limited.

The agreement will be terminable by Mr. Webber if he provides not less than six months advance written notice to Global Ship Lease Services Limited, or by Global Ship Lease Services Limited if it provides not less than 12 months advance written notice to him (subject to exceptions in the case of summary termination). Global Ship Lease Services Limited will have the right to terminate Mr. Webber at any time and in its absolute

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discretion by paying Mr. Webber a sum equal to his salary and contractual benefits for the relevant period of notice. If Mr. Webber terminates his employment agreement for good reason following a change of control (each as defined in the employment agreement) he will be entitled to receive payment in lieu of salary and contractual benefits for the 12 month notice period, together with any accrued but unpaid bonus.

The agreement will also provide that, during his employment or for a period of one year thereafter, Mr. Webber will not, among other actions, solicit or attempt to solicit certain employees or certain customers of Global Ship Lease (or one of its group companies) or be involved in any relevant business in competition with Global Ship Lease (or one of its group companies).

Global Ship Lease Services Limited also expects to enter into an employment agreement with Ms. Cook and, pursuant to the inter-company agreement, Ms. Cook will serve as its Chief Financial Officer. Pursuant to her employment agreement, Ms. Cook will receive an annual salary of £135,000 and will be eligible to receive a bonus payment up to an annual maximum of 25% of her salary at the discretion of Global Ship Lease Services Limited.

The agreement will be terminable by Ms. Cook if she provides not less than six months advance written notice to Global Ship Lease Services Limited, or by Global Ship Lease Services Limited if it provides not less than nine months advance written notice to her (subject to exceptions in the case of summary termination). Pursuant to the terms of her employment agreement, Global Ship Lease Services Limited will have the right to terminate Ms. Cook at any time and in its absolute discretion by paying Ms. Cook a sum equal to her salary and contractual benefits for the relevant period of notice. If Ms. Cook terminates her employment agreement for good reason following a change of control (each as defined in the employment agreement) she will be entitled to receive payment in lieu of salary and contractual benefits for the nine-month notice period, together with any accrued but unpaid bonus.

The agreement will also provide that, during her employment or for a period of one year thereafter, Ms. Cook, will not, among other actions, solicit or attempt to solicit certain employees or certain customers of Global Ship Lease (or one of its group companies) or be involved in any relevant business in competition with Global Ship Lease (or one of its group companies).

Global Ship Lease Services Limited expects to enter into an employment agreement with Mr. Lister and, pursuant to the inter-company agreement, Mr. Lister will serve as its Chief Commercial Officer. Pursuant to his employment agreement, Mr. Lister will receive an annual salary of £135,000 and will be eligible to receive a bonus payment up to an annual maximum of 25% of his salary at the discretion of Global Ship Lease Services Limited. In addition, Mr. Lister will receive a one-time signing bonus of £35,000.

The agreement will be terminable by Mr. Lister if he provides not less than three months advance written notice to Global Ship Lease Services Limited, or by Global Ship Lease Services Limited if it provides not less than six months advance written notice to him (subject to exceptions in the case of summary termination). Pursuant to the terms of his employment agreement, Global Ship Lease Services Limited will have the right to terminate Mr. Lister at any time and in its absolute discretion by paying him a sum equal to his salary and contractual benefits for the relevant period of notice. If Mr. Lister terminates his employment agreement for good reason following a change of control (each as defined in the employment agreement) he will be entitled to receive payment in lieu of salary and contractual benefits for the six-month notice period, together with any accrued but unpaid bonus.

The agreement will also provide that, during his employment or for a period of six months thereafter, Mr. Lister, will not, among other actions, solicit or attempt to solicit certain employees or its certain customers of Global Ship Lease (or one of its group companies) or be involved in any relevant business in competition with Global Ship Lease (or one of its group companies).

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### **Compensation of Directors of GSL Holdings**

The chairman of the GSL Holdings board of directors (who has not yet been identified) is expected to receive an annual fee of \$150,000, consisting of \$75,000 in cash and an annual restricted stock grant with a grant date value of \$75,000. The other directors of GSL Holdings (including Mr. Gross) are expected to receive an annual fee of \$100,000, consisting of \$50,000 in cash and an annual restricted stock grant with a grant date value of \$50,000. In addition, each director will be reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees.

### **2008 Equity Incentive Plan**

GSL Holdings will adopt the 2008 Equity Incentive Plan (the Plan), which will entitle employees, consultants and directors of GSL Holdings and its subsidiaries to receive options, stock appreciation rights, stock grants, stock units and dividend equivalents. The following description of the Plan is a summary of the material terms of the Plan.

The Plan will be administered by the board of directors of GSL Holdings or a committee of the board of directors. Subject to adjustment as provided below, the maximum aggregate number of Class A common shares that may be delivered pursuant to awards granted under the Plan during the 10-year term of the Plan is 1,500,000. The maximum number of Class A common shares with respect to which awards may be granted to any participant in the Plan in any fiscal year is 500,000 per participant. If an award granted under the Plan is forfeited, or otherwise expires, terminates or is canceled without the delivery of shares, then the shares covered by such award will again be available to be delivered pursuant to other awards under the Plan.

In the event that GSL Holdings is subject to a change of control, the Plan administrator in its discretion may make such adjustments and other substitutions to the Plan and outstanding awards under the Plan as it deems equitable or desirable in its sole discretion.

The exercise price for options cannot be less than 100% of the fair market value on the date of grant. The maximum term of each stock option agreement shall not exceed 10 years from the date of the grant.

Stock appreciation rights, or SARs, may provide for a maximum limit on the amount of any payout notwithstanding the fair market value on the date of exercise of the SAR. The exercise price of a SAR shall not be less than 100% of the fair market value on the date of grant. The SAR Agreement shall also specify the maximum term of the SAR which shall not exceed 10 years from the date of grant.

Stock grants may be issued with or without cash consideration under the Plan. The holder of a stock grant awarded under the Plan shall have the same voting, dividend and other rights as the Company's other Class A common shareholders. The Plan administrator may provide a participant who holds stock grants with dividends or dividend equivalents payable in cash, Class A common shares or other property.

Settlement of vested stock units may be in the form of cash, shares or any combination of both, as determined by the Plan administrator at the time of the grant of the stock units. Methods of converting stock units into cash may include (without limitation) a method based on the average fair market value of shares over a series of trading days. The holders of stock units shall have no voting rights.

Subject to the provisions of the Plan, awards granted under the Plan may include dividend equivalents. The Plan administrator may determine the amounts, terms and conditions of any such awards provided that they comply with applicable laws.

The Plan will be effective as of the closing of the Merger. No award may be granted under the Plan after the tenth anniversary of the date of shareholder approval of the Plan.



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The GSL Holdings board of directors plans to authorize the grant of 375,000 restricted shares to Mr. Webber, 202,500 restricted shares to Ms. Cook and 202,500 restricted shares to Mr. Lister under the Plan, which are expected to vest over a three-year period.

## **Compensation Discussion and Analysis**

Marathon has not included a compensation discussion and analysis, as members of its management team, including its directors, have not received any cash or other compensation for services rendered to it during the year ended December 31, 2007.

## **Director Independence**

Marathon's board of directors has determined that Messrs. Aron, Simon and Sheft are independent directors as such term is defined in Rule 10A-3 of the Exchange Act and the rules of the AMEX.

## **Board Committees**

Marathon's board of directors has formed an audit committee, a compensation committee and a governance and nominating committee. Each committee is comprised of three directors. During 2007, Marathon's board of directors held four board meetings and four audit committee meetings. No meetings of the governance and nominating committee were held, as no new candidates have been sought for election to Marathon's board of directors subsequent to its initial public offering. In addition, no meetings of the compensation committee were held, as none of Marathon's executive officers or directors have received, or will receive, any cash or other compensation for services rendered to Marathon prior to its consummation of a business combination, other than pursuant to its arrangement with Marathon Management, LLC described below. All directors attended at least 75% of the aggregate number of meetings of the board and of the respective committees on which they served. Marathon requires each director to make a diligent effort to attend all board and committee meetings, as well as each annual or special meeting of stockholders.

## ***Audit Committee***

Marathon's audit committee consists of Messrs. Aron, Simon and Sheft, each of whom is independent as defined in Rule 10A-3 of the Exchange Act and the rules of the AMEX. In addition, Marathon's board of directors has determined that Mr. Aron is an audit committee financial expert as that term is defined under Item 401 of Regulation S-K of the Securities Exchange Act of 1934, as amended. The responsibilities of Marathon's audit committee include:

meeting with Marathon's management periodically to consider the adequacy of Marathon's internal control over financial reporting and the objectivity of Marathon's financial reporting;

appointing the independent registered public accounting firm, determining the compensation of the independent registered public accounting firm and pre-approving the engagement of the independent registered public accounting firm for audit and non-audit services;

overseeing the independent registered public accounting firm, including reviewing independence and quality control procedures and experience and qualifications of audit personnel that are providing audit services for Marathon;

meeting with the independent registered public accounting firm and reviewing the scope and significant findings of the audits performed by them, and meeting with management and internal financial personnel regarding these matters;

reviewing Marathon's financing plans, the adequacy and sufficiency of Marathon's financial and accounting controls, practices and procedures, the activities and recommendations of the auditors and Marathon's reporting policies and practices, and reporting recommendations to Marathon's full board of directors for approval;



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establishing procedures for the receipt, retention and treatment of complaints regarding internal accounting controls or auditing matters and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;

preparing the report required by the rules of the SEC to be included in Marathon's annual proxy statement; and

reviewing and approving all expense reimbursements made to members of Marathon's management team; any expense reimbursements payable to members of Marathon's audit committee will be reviewed and approved by Marathon's board of directors, with the interested director or directors abstaining from such review and approval.

*Financial Experts on Audit Committee*

The audit committee will at all times be composed exclusively of independent directors who, as required by the AMEX listing standards, are able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

In addition, Marathon must certify to the AMEX that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. The board of directors has determined that Mr. Aron satisfies the AMEX's definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the Securities and Exchange Commission.

*Compensation Committee*

Marathon's compensation committee consists of Messrs. Aron, Simon and Sheft, each of whom is independent as defined in the rules of the AMEX. The functions of Marathon's compensation committee include:

establishing overall employee compensation policies and recommending to Marathon's board of directors major compensation programs;

subsequent to Marathon's consummation of a business combination, reviewing and approving the compensation of Marathon's officers and directors, including salary and bonus awards;

administering Marathon's various employee benefit, pension and equity incentive programs;

reviewing officer and director indemnification and insurance matters; and

preparing an annual report on executive compensation for inclusion in Marathon's proxy statement.

Marathon's compensation committee does not currently have a charter or written policy with regard to the processes and procedures for the consideration and determination of executive and director compensation, as Marathon's executive officers and directors have not received, and will not receive, any cash or other compensation for services rendered to Marathon prior to its consummation of a business combination, other than pursuant to Marathon's arrangement with Marathon Management, LLC, an entity owned and controlled by Mr. Gross, pursuant to which Marathon has agreed to pay a total of \$7,500 per month for office space and administrative services, including secretarial support, until Marathon has consummated a business combination. This arrangement was agreed to by Marathon Management, LLC for Marathon's benefit and is not intended to provide Mr. Gross compensation in lieu of a salary. Marathon believes that such fees are at least as favorable as Marathon could have obtained from an unaffiliated third party. No other director has a relationship with or interest in Marathon Management, LLC.



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### ***Governance and Nominating Committee***

Marathon's governance and nominating committee consists of Messrs. Aron, Simon and Sheft, each of whom is independent as defined in the rules of the AMEX. The functions of Marathon's governance and nominating committee include:

recommending qualified candidates for election to Marathon's board of directors;

evaluating and reviewing the performance of existing directors;

making recommendations to Marathon's board of directors regarding governance matters, including Marathon's certificate of incorporation, bylaws and charters of its committees; and

developing and recommending to Marathon's board of directors governance and nominating guidelines and principles applicable to Marathon.

The governance and nominating committee will consider qualified director nominees recommended by stockholders when such recommendations are submitted in accordance with Marathon's bylaws and any applicable law, rule or regulation regarding director nominations. When submitting a nomination to the governance and nominating committee for consideration, a stockholder must provide certain information that would be required under applicable Commission rules, including the following minimum information for each director nominee: full name, age and address; principal occupation during the past five years; current directorships on publicly held companies and investment companies; number of shares of Marathon's common stock owned, if any; and, a written consent of the individual to stand for election if nominated by the board of directors and to serve if elected by the stockholders.

In evaluating director nominees, Marathon's governance and nominating committee considers the following factors:

the appropriate size and composition of Marathon's board of directors;

whether or not the person would be an independent director within the meaning of Rule 10A-3 under the Exchange Act and the rules of the AMEX;

Marathon's needs with respect to the particular talents and experience of its directors;

the knowledge, skills and experience of nominees in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the board of directors;

familiarity with national and international business matters;

experience with accounting rules and practices;

appreciation of the relationship of Marathon's business to the changing needs of society;

the desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members; and

all applicable laws, rules, regulations, and listing standards.

Marathon's board of directors' goal is to assemble a board of directors that brings a variety of perspectives and skills derived from high quality business and professional experience.

Other than the foregoing there are no stated minimum criteria for director nominees, although the governance and nominating committee may also consider such other factors as its members may deem are in the best interests of Marathon and its stockholders. The governance and nominating committee also believes it appropriate for certain key members of Marathon's management to participate as members of the board of directors.

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Marathon's governance and nominating committee identifies nominees by first evaluating the current members of the board of directors willing to continue in service. Current members of the board of directors with skills and experience that are relevant to Marathon's business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the board of directors with that of obtaining a new perspective. If any member of the board of directors does not wish to continue in service or if the board of directors decides not to re-nominate a member for re-election, the governance and nominating committee will identify the desired skills and experience of a new nominee in light of the criteria above. The entire board of directors is polled for suggestions as to individuals meeting the aforementioned criteria. Research may also be performed to identify qualified individuals. To date, Marathon has not engaged third parties to identify or evaluate or assist in identifying potential nominees although Marathon reserves the right in the future to retain a third party search firm, if necessary.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Pursuant to Section 16(a) of the Securities Act of 1934, Marathon's directors and executive officers, and any persons holding 10% or more of its common stock, are required to report their beneficial ownership and any changes therein to the Securities and Exchange Commission and Marathon. Specific due dates for those reports have been established, and Marathon is required to report herein any failure to file such reports by those due dates. Based on Marathon's review of Forms 3, 4 and 5 filed by such persons, Marathon believes that during the fiscal year ended December 31, 2007 all Section 16(a) filing requirements applicable to such persons were met in a timely manner.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding the beneficial ownership of Marathon's common stock as of July 7, 2008, by:

each person known by Marathon, as a result of such person's public filings with the SEC and the information contained therein, to be the beneficial owner of more than 5% of Marathon's outstanding shares of common stock;

each of Marathon's officers and directors; and

all of Marathon's officers and directors as a group.

Unless otherwise indicated, Marathon believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them. The following table does not reflect record or beneficial ownership of the sponsor warrants or Marathon's other outstanding warrants, as the exercisability of the warrants is subject to a material condition not in the control of the warrant holders.

Name	Number of Shares	Percentage of Class <sup>(1)</sup>	Relationship to Marathon
Michael S. Gross <sup>(2)</sup>	11,225,000	22.7%	Chairman of the Board, Chief Executive Officer and Secretary
Adam Aron	50,000	*	Director
Irwin D. Simon	50,000	*	Director
Robert Sheft	50,000	*	Director
Executive officers and directors as a group	11,375,000	23.0%	
Soros Strategic Partners LP/ SFM Participation II, L.P./ SFM AH LLC/ Soros Fund Management LLC/ George Soros/Robert Soros/ Jonathan Soros <sup>(3)</sup> 623 5 <sup>th</sup> Avenue 26 <sup>th</sup> Floor New York, NY 10022	3,750,000	7.6%	Stockholder
The Baupost Group, L.L.C./ SAK Corporation/Seth A. Klarman <sup>(4)</sup>			