



## **Seaspan Reports Financial Results for the Three and Nine Months Ended September 30, 2008**

### **Seaspan Declares Quarterly Dividend of \$0.475 per Share**

HONG KONG, CHINA, Oct 30, 2008 (Marketwire via COMTEX News Network) -- Seaspan Corporation (NYSE:SSW) announced today the financial results for the three and nine months ended September 30, 2008.

Third Quarter 2008 and Year-to-Date Highlights:

- Paid a second quarter dividend of \$0.475 per share on August 15, 2008 to all shareholders of record as of August 6, 2008;
- Declared a third quarter dividend of \$0.475 per share to be paid on November 14, 2008 to all shareholders of record as of November 5, 2008;
- Generated \$33.9 million in cash available for distribution for the quarter, an increase of 11.5%, or \$3.5 million from \$30.4 million for the prior year's quarter. Cash available for distribution increased by 20.6%, or \$16.9 million to \$99.3 million for the nine month period compared to \$82.4 million for the comparable period last year;(1)
- Reported increased normalized net earnings(2), by \$2.8 million, or 17.1%, to \$19.0 million for the quarter from \$16.2 million for the comparable prior year's quarter. Normalized net earnings is adjusted for an addition of non-cash unrealized losses from non-designated interest rate swaps, an add back of reported interest expense and a deduction for interest expense on operating debt at the hedged rate. Normalized net earnings increased by \$11.1 million, or 24.9%, to \$55.8 million for the nine month period from \$44.7 million for the comparable period last year;
- Reported normalized earnings per share(2) of \$0.29 consistent with the comparable quarter last year, and reported increased normalized earnings per share by \$0.02, or 2.3%, to \$0.89 for the nine month period from \$0.87 for the comparable period last year;
- Reported net loss of \$5.1 million and net earnings of \$42.6 million for the three and nine months ended September 30, 2008, respectively. This includes a non-cash unrealized loss of \$19.6 million and \$2.3 million from interest rate swap agreements for the three and nine months ended September 30, 2008, respectively;
- Reported loss per share of \$0.08 and earnings per share of \$0.68 for the three and nine months ended September 30, 2008, respectively. This includes a non-cash unrealized loss of \$0.29 per share and \$0.04 per share from interest rate swap agreements for the three and nine months ended September 30, 2008, respectively;
- Reported revenue of \$57.6 million and \$166.8 million for the three and nine months ended September 30, 2008, respectively;
- Raised approximately \$228.0 million in net proceeds from the April follow-on offering of our common stock. This equity offering pre-funded a portion of our newbuild fleet to be delivered in the future;
- Entered into a \$291.2 million credit facility agreement with Fortis Bank S.A./N.V., New York Branch and The Export-Import Bank of Korea in March 2008;
- Entered into a \$235.3 million credit facility agreement with Sumitomo Mitsui Banking Corporation and others in March 2008;
- Accepted delivery of four of six newbuild vessels scheduled for delivery in 2008, including the CSCL Lima which was delivered on October 13, 2008; and
- Effective October 1, 2008, the subordination period for our 7,145,000 subordinated shares, owned by the members of the Washington family, or trusts set up on their behalf, an entity owned by our Chief Executive Officer, Gerry Wang, and an entity owned by Graham Porter, a director of our Manager, ended and the rights and privileges on our subordinated shares became the same as our common shares. The subordination period ended on the earliest possible date contemplated by our articles of incorporation.

Gerry Wang, Chief Executive Officer of Seaspan, stated, "During the three and nine month period ended September 30, 2008, Seaspan's conservative and resilient business model continued to serve the Company well. The Company increased cash available for distribution by 11.5% to \$33.9 million for the three months ended September 30, 2008 and 20.6% to \$99.3 million for the nine month period. The Company also continued to grow its fleet by receiving early delivery of 4 newbuildings year to date, which all commenced 12 year time charters."

Mr. Wang continued, "We recognize that the global economy and the credit markets are experiencing a period of unprecedented and extraordinary volatility. However, container shipping remains the most efficient means to transport goods from areas of manufacturing to areas of consumption. While there has recently been and there may be in the near term less demand for containerized goods, we believe the industry will continue to grow at a healthy rate over the long-term. Seaspan continues to execute its strategy which is focused on chartering vessels solely to leading shipping lines over the long-term and maintaining strong relationships with a diverse group of leading banks and well known shipyards. The Company has secured its entire 33 vessel operating fleet on charters with an average remaining duration of seven years and committed all 35 of its newbuildings to long-term time charters averaging approximately 11 years in duration from delivery. We have also maintained relationships with financially strong shipyards and positioned the Company to receive the delivery of two additional vessels in 2008. Going forward, we remain committed to managing the Company in a prudent manner in order to best serve shareholders over the long-term."

#### Three and Nine Months Financial Summary (dollars in thousands):

	Three months ended September 30,			
			Change	
	2008	2007	\$	%
Reported net earnings (loss)	\$ (5,096)	\$ (38,625)	\$ 33,529	86.8%
Normalized net earnings(2)	18,998	16,228	2,770	17.1%
Earnings (loss) per share	(0.08)	(0.70)	0.62	88.6%
Normalized earnings per share(2)	0.29	0.29	0.00	0.0%

  

	Nine months ended September 30,			
			Change	
	2008	2007	\$	%
Reported net earnings (loss)	\$ 42,567	\$ 9,624	\$ 32,943	342.3%
Normalized net earnings(2)	55,803	44,676	11,127	24.9%
Earnings (loss) per share	0.68	0.19	0.49	257.9%
Normalized earnings per share(2)	0.89	0.87	0.02	2.3%

#### Results for the Three and Nine Months Ended September 30, 2008:

##### Revenue

Revenue increased by 6.3%, or \$3.4 million, to \$57.6 million for the quarter ended September 30, 2008, from \$54.2 million for the comparable quarter last year. The increase was primarily due to three vessel deliveries in 2008. These deliveries included the CSCL Panama, CSCL Sao Paulo and CSCL Montevideo. Expressed in vessel operating days, our primary revenue driver, these three vessels contributed \$2.8 million in additional revenue or 176 of the 2,822 operating days in the quarter.

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Increase				Increase	
	2008	2007	Days	%	2008	2007	Days	%
Operating days	2,822	2,622	200	7.6%	8,090	7,079	1,011	14.3%

Ownership days      2,844      2,660      184      6.9%      8,170      7,161      1,009      14.1%

Operating days increased by 7.6%, or 200 days, to 2,822 days for the quarter ended September 30, 2008 from 2,622 operating days for the comparable quarter last year. We incurred 22 days of off-hire for the quarter, which impacted revenue by \$0.5 million. The Maersk Matane was off-hire for approximately 21 days for repairs to the main engine. Vessel utilization was 99.2% for the quarter ended September 30, 2008, compared to 98.6% for the comparable quarter last year.

For the nine months ended September 30, 2008, revenue increased by 15.6%, or \$22.5 million, to \$166.8 million from \$144.3 million for the comparable period last year. The increase was mainly attributable to the six vessels delivered in 2007: COSCO Fuzhou, CSCL Zeebrugge, Rio de Janeiro Express, Manila Express, COSCO Yingkou and CSCL Long Beach and the three 2008 deliveries which collectively contributed 1,868 of the 8,090 operating days for the nine month period ended.

Operating days increased by 14.3%, or 1,011 days, to 8,090 days for the nine months ended September 30, 2008 from 7,079 operating days for the comparable period last year. The nine vessel deliveries contributed 988 of the 1,011 additional operating days. We incurred 80 days of net off-hire for the nine months ended September 30, 2008, impacting revenue by \$1.6 million. Most of the off-hire was due to the repair and advanced dry-docking of the CSCL Hamburg and the repair of the Maersk Matane. Vessel utilization was 99.0% for the nine months ended September 30, 2008, compared to 98.9% for the comparable period last year and vessel utilization of 99.1% since our initial public offering.

### Ship Operating Expense

Ship operating expense increased by 13.7%, or \$1.7 million, to \$14.1 million for the quarter ended September 30, 2008, from \$12.4 million for the comparable quarter last year. Ship operating expense increased by 18.4%, or \$6.1 million, to \$39.4 million for the nine months ended September 30, 2008, from \$33.3 million for the comparable period last year. The increase was due to the addition of the three vessels to our fleet in 2008, which are based on fixed daily operating rates for each vessel. Stated in ownership days, our primary driver for ship operating expense, these three deliveries contributed an additional 176 of the 2,844 ownership days for the three months ended September 30, 2008. The increase for the nine months ended September 30, 2008 was due to the addition of six 2007 vessel deliveries and three 2008 vessel deliveries to our fleet. Stated in ownership days, these nine deliveries contributed 1,868 of the 8,170 ownership days for the nine months ended September 30, 2008.

### Depreciation

Depreciation expense increased by 5.1%, or \$0.7 million, to \$14.4 million for the quarter ended September 30, 2008, from \$13.7 million for the comparable quarter last year. Depreciation expense increased by 15.5%, or \$5.6 million, to \$42.1 million for the nine months ended September 30, 2008, from \$36.4 million for the comparable period last year. The increase was due to the increase in number of ownership days from the deliveries since September 30, 2007.

### General and Administrative Expenses

General and administrative expenses increased by 66.4%, or \$0.9 million, to \$2.3 million for the quarter ended September 30, 2008, from \$1.4 million for the comparable quarter last year. The increase was due mainly to \$0.3 million in share based compensation and \$0.6 million in growth and professional services. General and administrative expenses increased by 48.2%, or \$2.1 million, to \$6.3 million for the nine months ended September 30, 2008, from \$4.3 million for the comparable period last year. Of the \$2.1 million, approximately \$1.1 million is share-based compensation expense, \$0.2 million is professional fees for accounting and legal services, and \$0.8 million relates to growth.

### Interest Expense

Interest expense was \$10.5 million for the quarter ended September 30, 2008, which is consistent with the comparable quarter last year. Interest expense increased by 13.7%, or \$3.5 million, to \$29.2 million for the nine months ended September 30, 2008, from \$25.7 million for the comparable period last year. Interest expense is composed of interest incurred on debt for operating vessels and interest amounts incurred on non-designated fixed interest rate swaps for newbuilds for which the related variable interest is capitalized.

### Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a loss of \$19.6 million for the quarter ended September 30, 2008 compared to a loss of \$54.7 million for the comparable quarter last year. The change in fair value of financial instruments resulted in a loss of \$2.3 million for the nine months ended September 30, 2008 compared to a \$34.8 million loss for the comparable period last year. The fair value of the liability of our non-designated interest rate swaps increased due to decreases in the forward LIBOR rate curves and overall market changes in credit risk. Change in fair value of financial

instruments is a required accounting adjustment under financial reporting standards. At the end of each reporting period, we must record a mark-to-market adjustment for our interest rate swap agreements as though the instruments were realized as of the reporting date. There is no impact on our operating performance or ability to distribute cash to shareholders from the impact of the mark-to-market accounting adjustments. The change in fair value from the unrealized non-cash mark-to-market accounting adjustments are specifically excluded by our banks for our debt covenant calculations and have no impact on security requirements for our debt.

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

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

All of our interest rate swaps meet our interest rate risk and economic management criteria to ensure long term stability of cashflows. On September 30, 2008, we elected to prospectively de-designate all interest rate swaps for which we were obtaining hedge accounting treatment due to the compliance burden associated with this accounting policy. In the future, all of our interest rate swap agreements and the swaption agreement will be marked to market and the changes in the fair value of these instruments will be recorded in earnings.

#### Cash Available for Distribution(1)

During the three and nine months ended September 30, 2008, we generated \$33.9 million and \$99.3 million, respectively, of cash available for distribution,(1) as compared to \$30.4 million and \$82.4 million, respectively, for the comparative periods in 2007. For the three months ended September 30, 2008, this represents an increase of \$3.5 million, or 11.5%, as compared to the same quarter in 2007. For the nine months ended September 30, 2008, this represents an increase of \$16.9 million, or 20.6%, as compared to the same nine month period in 2007.

#### Equity Capital Requirements

As of September 30, 2008, the estimated total purchase price of the 36 vessels that we have contracted to purchase but have not yet been delivered was approximately \$2.2 billion. To fund a portion of the purchase price of these vessels, we expect to raise up to approximately \$900 million in common or other equity capital over the next 32 month period. The current state of the global financial markets and current economic conditions may adversely impact our ability to issue additional equity at prices which will not be dilutive to our existing shareholders or preclude from us from issuing equity at all. We are currently contemplating alternatives which will allow us to defer or mitigate some of our short and medium term equity needs.

#### Dividend Declared:

For the quarter ended September 30, 2008, we declared a quarterly dividend of \$0.475, representing a total distribution of \$31.6 million. The dividend will be paid on November 14, 2008 to all shareholders of record as of November 5, 2008. Since going public in August 2005, we have declared cumulative dividends of \$5.62 per share. Because we recently adopted a dividend reinvestment plan, or DRIP, the actual amount of cash dividends paid may be less than \$31.6 million depending on shareholder participation in the DRIP. For the second quarter dividend, an additional 126,300 shares were issued through the participation in the DRIP. Based on a discount of 3%, participating shareholders invested \$2.9 million in the DRIP for the second quarter of 2008.

#### Fleet Utilization:

Our fleet utilization was 99.2% and 99.0%, respectively, for the three and nine months ended September 30, 2008 compared to 98.6% and 98.9% for the comparable periods in the prior year.

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

Three Months Ended September 30,		Three Months Ended June 30,	
2008	2007	2008	2007
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Vessel Utilization:				
Ownership Days	2,844	2,660	2,687	2,405
Less Off-hire Days:				
Scheduled 5-Year Survey	-	(28)	(10)	-
Incremental due to rudder horn repair	-	-	-	-
Other unscheduled off-hire(3)	(22)	(10)	(21)	(1)
Operating Days	2,822	2,622	2,656	2,404
Vessel Utilization	99.2%	98.6%	98.8%	99.9%

Three Months Ended	Nine Months Ended		
March 31,	September 30,		
2008	2007	2008	2007

Vessel Utilization:				
Ownership Days	2,639	2,096	8,170	7,161
Less Off-hire Days:				
Scheduled 5-Year Survey	-	(33)	(10)	(61)
Incremental due to rudder horn repair	-	(9)	-	(9)
Other unscheduled off-hire(3)	(27)	(1)	(70)	(12)
Operating Days	2,612	2,053	8,090	7,079
Vessel Utilization	99.0%	97.9%	99.0%	98.9%

Three Months Ended	Three Months Ended		
September 30,	June 30,		
2008	2007	2008	2007

(in thousands)

Revenue -				
Impact of Off-Hire:				
100% Utilization	\$ 58,101	\$ 55,048	\$ 55,507	\$ 48,995
Less Off-hire:				
Scheduled 5-Year Survey	-	(664)	(186)	-
Incremental due to rudder horn repair	-	-	-	-
Other unscheduled off-hire(3)	(497)	(217)	(389)	(119)
Actual Revenue Earned	\$ 57,604	\$ 54,167	\$ 54,932	\$ 48,876

	Three Months Ended		Nine Months Ended	
	March 31,		September 30,	
	2008	2007	2008	2007
(in thousands)				
Revenue -				
Impact of Off-Hire:				
100% Utilization	\$ 54,703	\$ 42,087	\$168,311	\$146,130
Less Off-hire:				
Scheduled 5-Year Survey	-	(694)	(186)	(1,358)
Incremental due to rudder horn repair	-	(171)	-	(171)
Other unscheduled off-hire(3)	(488)	6	(1,374)	(330)
Actual Revenue Earned	\$ 54,215	\$ 41,228	\$166,751	\$144,271

The following table summarizes the number of vessels in our fleet based on scheduled delivery:

TEU Vessel Size	Actual	As of 30-Sep-08	Forecasted			
			Year Ending December 31,			
Class			2008	2009	2010	2011
13100	13092	-	-	-	-	8
9600	9580	2	2	2	2	2
8500	8468	2	2	2	2	2
8500	8495	-	-	2	8	8
5100	5087	-	-	4	4	4
4800	4809	4	4	4	4	4
4500	4520	-	-	-	2	5
4250	4253	19	19	23	23	23
3500	3534	2	2	2	2	2
2500	2546	3	6	8	10	10
Operating Vessels		32	35	47	57	68
Actual Capacity (TEU)		150,845	158,483	217,925	283,027	401,323

#### About Seaspan

Seaspan owns containerships and charters them pursuant to long-term fixed-rate charters. Seaspan's contracted fleet of 68 containerships consists of 33 containerships in operation and 35 containerships to be delivered over approximately the next three years. Seaspan's operating fleet of 33 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. All of the 35 vessels to be delivered to Seaspan are already committed to long-term time charters averaging approximately 11 years in duration from delivery. Seaspan's customer base consists of seven of the world's largest, publicly traded liner companies, including China Shipping Container Lines, A.P. Moller-Maersk, Mitsui O.S.K. Lines, Hapag-Lloyd, COSCO Container Lines, K-Line and CSAV.

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

## Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the quarter ended September 30, 2008 on October 30, 2008, at 2:00 p.m. PT / 5:00 p.m. ET. Participants should call 1-877-874-1586 (US/Canada) or 1-719-325-4774 (international) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-888-203-1112 or 1-719-457-0820 and enter replay passcode: 1892430. The recording will be available from October 30, 2008 at 5:00 p.m. PT / 8:00 p.m. ET through to 8:59 p.m. PT / 11:59 p.m. ET on November 13, 2008. The conference call will also be broadcast live over the Internet and will include a slide presentation. To access the live webcast and slide presentation, go to [www.seaspancorp.com](http://www.seaspancorp.com) and click on "Investor Relations" then "Events & Presentations" for the link. The webcast and slides will be archived on the site for one year.

SEASpan CORPORATION  
 UNAUDITED CONSOLIDATED BALANCE SHEET  
 AS AT SEPTEMBER 30, 2008  
 (IN THOUSANDS OF US DOLLARS)

	September 30, 2008	December 31, 2007
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<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 24,070	\$ 123,134
Accounts receivable	185	2,527
Prepaid expenses	5,065	4,657
	-----	-----
	29,320	130,318
Vessels	3,031,431	2,424,253
Deferred charges	21,154	17,240
Other assets	7,180	5,090
	-----	-----
	\$ 3,089,085	\$ 2,576,901
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	-----	-----
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 11,594	\$ 8,516
Deferred revenue	3,908	7,200
	-----	-----
	15,502	15,716
Long-term debt (operating vessels)	462,524	640,259
Long-term debt (vessels under construction)	1,046,242	699,179
Other long-term liability	386,465	223,804
Fair value of financial instruments	164,080	135,617
	-----	-----
	2,074,813	1,714,575
Share capital	664	575
Additional paid-in capital	1,278,799	1,046,412
Deficit	(169,608)	(122,317)
Accumulated other comprehensive loss	(95,583)	(62,344)
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Total shareholders' equity	1,014,272	862,326
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	\$ 3,089,085	\$ 2,576,901
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## SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT FOR THE THREE  
AND NINE MONTHS ENDED SEPTEMBER 30, 2008

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

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
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Revenue	\$ 57,604	\$ 54,167	\$ 166,751	\$ 144,271
Operating expenses:				
Ship operating	14,105	12,403	39,440	33,313
Depreciation	14,389	13,686	42,054	36,422
General and administrative	2,349	1,412	6,305	4,254
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	30,843	27,501	87,799	73,989
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Operating earnings	26,761	26,666	78,952	70,282
Other expenses (earnings):				
Interest expense	10,515	10,543	29,186	25,670
Interest income	(132)	(1,220)	(571)	(3,335)
Undrawn credit facility fees	1,444	828	4,048	2,076
Amortization of deferred charges	466	391	1,374	820
Write-off on debt refinancing	-	-	-	635
Change in fair value of financial instruments	19,564	54,749	2,348	34,792
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	31,857	65,291	36,385	60,658
	-----	-----	-----	-----
Net earnings (loss)	(5,096)	(38,625)	42,567	9,624
Deficit, beginning of period	(133,013)	(14,313)	(122,317)	(17,658)
Dividends on common shares	(31,499)	(23,670)	(89,858)	(68,574)
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Deficit, end of period	(169,608)	(76,608)	(169,608)	(76,608)
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	-----	-----	-----	-----
Weighted average number of shares (in millions) basic and diluted	66.4	55.2	62.9	51.5
Earnings (loss)				



per share, basic and diluted	\$	(0.08)	\$	(0.70)	\$	0.68	\$	0.19
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SEASPAN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE AND  
 NINE MONTHS ENDED SEPTEMBER 30, 2008  
 (IN THOUSANDS OF US DOLLARS)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
	-----	-----	-----	-----
Net earnings (loss)	\$ (5,096)	\$ (38,625)	\$ 42,567	\$ 9,624
Other comprehensive loss:				
Change in fair value of financial instruments designated as cash flow hedging instruments	(12,631)	(31,317)	(40,156)	(7,346)
Amounts reclassified to earnings (loss) during the period	1,912	-	6,917	-
	-----	-----	-----	-----
Other comprehensive loss	(10,719)	(31,317)	(33,239)	(7,346)
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Comprehensive income (loss)	\$ (15,815)	\$ (69,942)	\$ 9,328	\$ 2,278
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SEASPAN CORPORATION  
 UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008  
 (IN THOUSANDS OF US DOLLARS)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
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Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$ (5,096)	\$ (38,625)	\$ 42,567	\$ 9,624
Items not				

involving cash:				
Depreciation	14,389	13,686	42,054	36,422
Share-based compensation	640	297	1,913	892
Amortization of deferred charges	466	391	1,374	820
Write-off on debt financing	-	-	-	635
Change in fair value of financial instruments	19,564	54,749	2,348	34,792
Change in assets and liabilities	(1,158)	(3,130)	(261)	(2,304)
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Cash provided by operating activities	28,805	27,368	89,995	80,881
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Financing activities:				
Common shares issued, net of share issue costs	(228)	142,513	227,628	296,874
Draws on credit facilities	228,153	295,236	512,328	694,572
Other long-term liability	-	-	35,405	-
Repayment of credit facility	-	(154,000)	(343,000)	(154,000)
Financing fees incurred	(210)	(4,195)	(5,840)	(8,156)
Dividends on common shares	(28,565)	(23,670)	(86,924)	(68,574)
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Cash provided by financing activities	199,150	255,884	339,597	760,716
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Investing activities:				
Expenditures for vessels	(87,194)	(166,763)	(131,056)	(447,162)
Deposits on vessels	(144,993)	(212,777)	(390,069)	(472,993)
Cash payments on interest rate swaps	(3,329)	-	(7,124)	-
Intangible assets	(271)	(207)	(407)	(235)
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Cash used in investing activities	(235,787)	(379,747)	(528,656)	(920,390)
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Decrease in cash and cash equivalents	(7,832)	(96,495)	(99,064)	(78,793)
Cash and cash equivalents, beginning of period	31,902	109,929	123,134	92,227
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Cash and cash equivalents, end of period	\$ 24,070	\$ 13,434	\$ 24,070	\$ 13,434

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008

(IN THOUSANDS OF US DOLLARS)

Description of Non-GAAP Financial Measures

A. Cash Available for Distribution

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

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Net earnings (loss)	\$ (5,096)	\$ (38,625)	\$ 42,567	\$ 9,624
Add:				
Depreciation	14,389	13,686	42,054	36,422
Interest expense(4)	10,515	10,543	29,186	25,670
Amortization of deferred charges	466	391	1,374	820
Undrawn credit facility fees	1,444	828	4,048	2,076
Write-off on debt refinancing	-	-	-	635
Share-based compensation	640	297	1,913	892
Change in fair value of financial instruments	19,564	54,749	2,348	34,792
Less:				
Dry-dock adjustment	(742)	(705)	(2,136)	(1,867)
Interest income	(132)	(1,220)	(571)	(3,335)
Net cash flows before cash interest payments	41,048	39,944	120,783	105,729
Less:				

Cash interest paid at the hedged rate(5)	(6,115)	(10,485)	(19,227)	(25,575)
Cash paid for undrawn credit facility fees	(1,149)	(232)	(2,827)	(1,161)
Add:				
Cash interest received	155	1,220	587	3,377
	-----	-----	-----	-----
Cash available for distribution	\$ 33,939	\$ 30,447	\$ 99,316	\$ 82,370
	-----	-----	-----	-----
	-----	-----	-----	-----

Seaspan has changed the definition of cash available for distribution for comparative figures to reflect adjustments to the definition in the current year. The following items are now included as adjustments: undrawn credit facility fees, cash interest paid on operating vessels, cash paid for undrawn credit facility fees, reported interest expense(4) and interest expense at the hedged rate(5). Seaspan previously reported \$29,665 and \$81,616, respectively, of cash available for distribution for the three and nine months ended September 30, 2007. Based on the new definition of cash available for distribution used in the current period, the cash available for distribution has been adjusted to \$30,447 and \$82,370 respectively, for the three and nine months ended September 30, 2007.

## SEASPAN CORPORATION

### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008

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

#### Description of Non-GAAP Financial Measures

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

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

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

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
	-----	-----	-----	-----
Net earnings (loss)	\$ (5,096)	\$ (38,625)	\$ 42,567	\$ 9,624
Adjust:				

Change in fair value of financial instruments	19,564	54,749	2,348	34,792
Write-off on debt refinancing	-	-	-	635
Interest expense(4)	10,515	10,543	29,186	25,670
Interest expense at the hedged rate(5)	(5,985)	(10,439)	(18,298)	\$ (26,045)
Normalized net earnings	\$ 18,998	\$ 16,228	\$ 55,803	\$ 44,676
Weighted average number of shares (in millions)				
Basic and Diluted	66.4	55.2	62.9	51.5
Earnings (loss) per share, basic and diluted				
Reported	\$ (0.08)	\$ (0.70)	\$ 0.68	\$ 0.19
Normalized	\$ 0.29	\$ 0.29	\$ 0.89	\$ 0.87

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

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

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

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

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

#### STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events and our operations, performance and financial condition, including, in

particular, the likelihood of our success in developing and expanding our business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "projects", "forecasts", "will", "may", "potential", "should", and similar expressions are forward-looking statements. These forward-looking statements reflect management's current views only as of the date of this presentation and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this release. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: future operating or financial results; our expectations relating to dividend payments and forecasts of our ability to make such payments; pending acquisitions, business strategy and expected capital spending; operating expenses, availability of crew, number of off-hire days, dry-docking requirements and insurance costs; general market conditions and shipping market trends, including charter rates and factors affecting supply and demand; our financial condition and liquidity, including our ability to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities; estimated future capital expenditures needed to preserve our capital base; our expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of our ships; our continued ability to enter into long-term, fixed-rate time charters with our customers; our ability to leverage to our advantage Seaspan Management Services Limited's relationships and reputation in the containership industry; changes in governmental rules and regulations or actions taken by regulatory authorities; changes in worldwide container demand; changes in trading patterns; competitive factors in the markets in which we operate; potential inability to implement our growth strategy; potential for early termination of long-term contracts and our potential inability to renew or replace long-term contracts; ability of our customers to make charter payments; potential liability from future litigation; conditions in the public equity markets; and other factors detailed from time to time in our periodic reports. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. We make no prediction or statement about the performance of our common shares.

SOURCE: Seaspan Corporation

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