

Ship Finance International LTD
Form 6-K
October 19, 2007

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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of October 2007

Commission File Number: 0-22704

Ship Finance International Limited
(Translation of registrant's name into English)

Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM 08, Bermuda
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)7: ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 1 is a copy of the press release of Ship Finance International Limited (the “Company”) dated October 19, 2007, announcing that the Board of Directors of the Company has approved a share repurchase program of up to seven million shares.

SFL - Share repurchase program

Press release from Ship Finance International Limited, October 19, 2007

Hamilton, Bermuda. October 19, 2007. Ship Finance International Limited (NYSE:SFL) (“Ship Finance” or the “Company”) today announced that the Board of Directors has approved a share repurchase program of up to 7 million shares. Initially, the intention is to finance all or a part of this by the use of total return swaps (“TRS” or “Equity swap”) with international banks (the “Banks”).

After a review of its long-term prospects and dividend capacity, the Company’s Board of Directors has concluded that a share repurchase program in combination with a financing arrangement can enhance the returns for our shareholders while at the same time preserving the Company’s capacity for new accretive asset acquisitions.

The maturity of the TRS agreements will be up to 12 months, and the Banks will be compensated for their carrying cost plus a margin. Based on the latest announced dividend and the current share price, the annualized dividend yield on Ship Finance’s shares well exceeds the financing costs for the Equity swap program.

Mr. Craig H. Stevenson, Chairman in Ship Finance, said in a comment: “The share repurchase program and related financing confirms the Company’s strategy of maximizing returns for shareholders. The long-term dividend capacity is supported by a very high fixed-rate charter revenue backlog, while short-term market movements in the share price may be influenced by other factors. All companies should have the flexibility to do the most accretive deals for its shareholders, and with the announced share repurchase program, Ship Finance will be in a position to also take advantage of opportunities relating to the pricing of the shares in the market”.

October 19, 2007

The Board of Directors

Ship Finance International Limited

Hamilton, Bermuda

Contact Persons:

Lars Solbakken: Chief Executive Officer, Ship Finance Management AS

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Ole B. Hjertaker: Chief Financial Officer, Ship Finance Management AS

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About Ship Finance

Ship Finance is a major vessel owning company listed on the New York Stock Exchange (NYSE: SFL). Including newbuildings and announced acquisitions, Ship Finance has a fleet consisting of 71 vessels, including 37 crude oil tankers (VLCC and Suezmax), 8 oil/bulk/ore vessels, 13 container vessels, 3 dry bulk carriers, 2 jack-up drilling rigs and 5 offshore supply vessels and 3 seismic vessels. The fleet is one of the largest in the world with a total cargo capacity of more than 11 million dwt. and most of the vessels are employed on medium or long term charters.

More information can be found on the Company's website: www.shipfinance.org

Cautionary Statement Regarding Forward Looking Statements

This press release may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Ship Finance management's examination of historical operating trends. Although Ship Finance believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Ship Finance cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this presentation include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the tanker market as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the United States Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

Ship Finance International Limited

Dated: October 19, 2007

By /s/ Lars Solbakken
Name: Lars Solbakken
Title: Chief Executive Officer
 Ship Finance Management AS