

# THIRD QUARTER 2014 EARNINGS PRESENTATION

November 6, 2014



# Forward Looking Statements

This presentation contains forward-looking statements which reflect management's current views with respect to certain future events and performance, including statements regarding: the crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market; the Company's financial position and ability to take advantage of growth opportunities; the expected effect of any acquisitions on the Company's financial results and the estimated spot tanker rates for the Company for the fourth quarter of 2014. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in the production of or demand for oil; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of tanker newbuilding orders and deliveries or greater or less than anticipated rates of tanker scrapping; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in interest rates and the financial markets; delays in the delivery of any new vessels; increases in the Company's expenses, including any dry docking expenses and associated off-hire days; and other factors discussed in Tanker Investment Ltd.'s filings from time to time with the Financial Supervisory Authority of Norway. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.

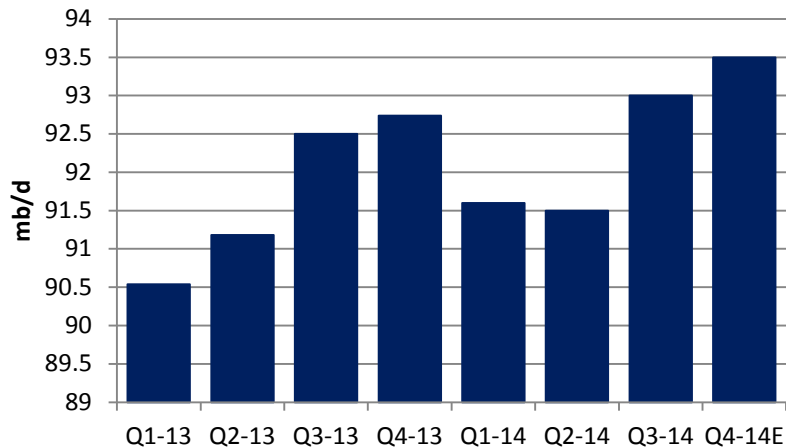
# Recent Highlights

- Reported Q3-14 net loss of USD 0.9 million, or USD 0.02 per share, up from a net loss of USD 5.7 million, or USD 0.15 per share in Q2-14
- In October 2014, took delivery of 2011-built Aframax *Peak Spirit*, bringing TIL fleet to 14 vessels with an average age of only 4.2 years
- In transition from **building** a high-quality fleet to **generating** cash
  - 50% of TIL fleet drydocked in 2014; has been a drag on results
  - By mid-November, 100% of fleet will be trading in strengthening spot tanker market
  - At current tanker rates and stock price = Free Cash Flow<sup>(1)</sup> yield of 25%
- Since inception, value of TIL's fleet has appreciated by ~20%
  - Further upside of ~20% to long-term avg. values
  - Current NAV/share: NOK 85-89 (~USD 13)
- Board authorized USD 30 million share repurchase program
  - To-date, TIL has repurchased ~1.45 million shares at an average price of NOK 68.49 per share (for a total cost of USD 15.1 million)
  - Expect to continue repurchasing shares on an opportunistic basis

# Winter Rally Expected to Support Q4 Rates

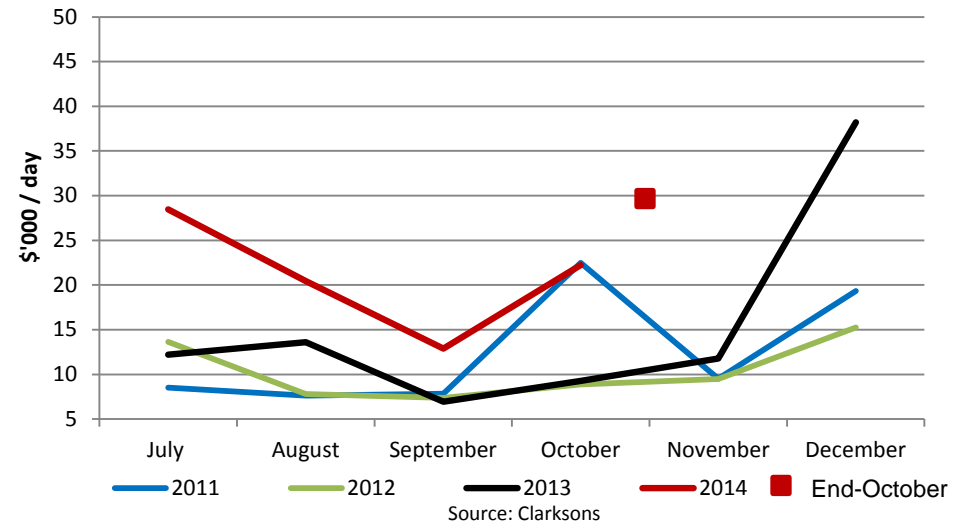
Increased demand in winter typically results in higher spot rates

## Global Oil Demand



Source: IEA

## Seasonal Winter Spike Expected

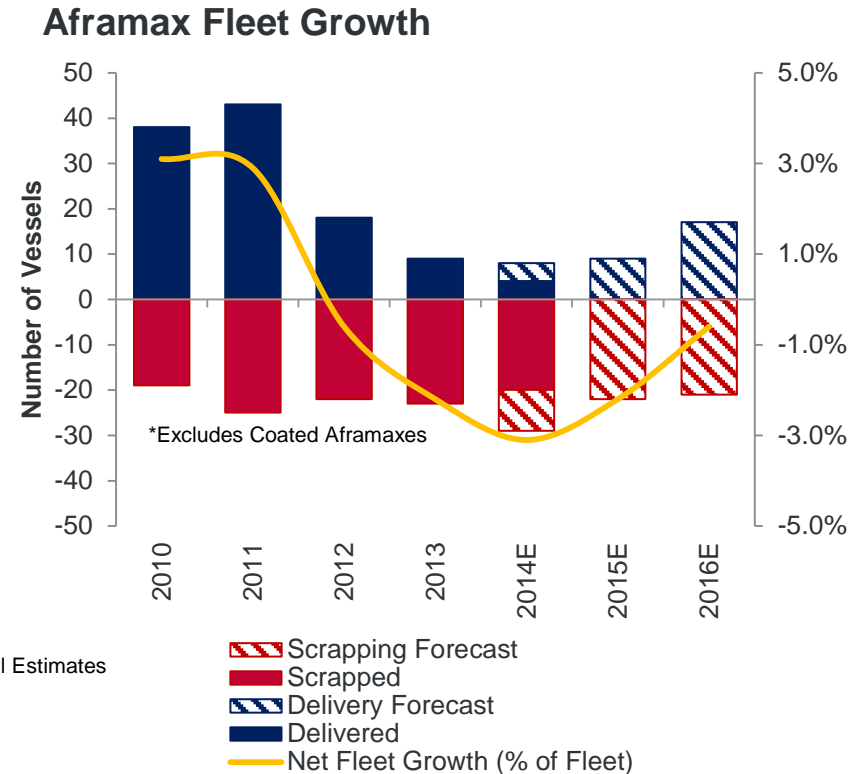
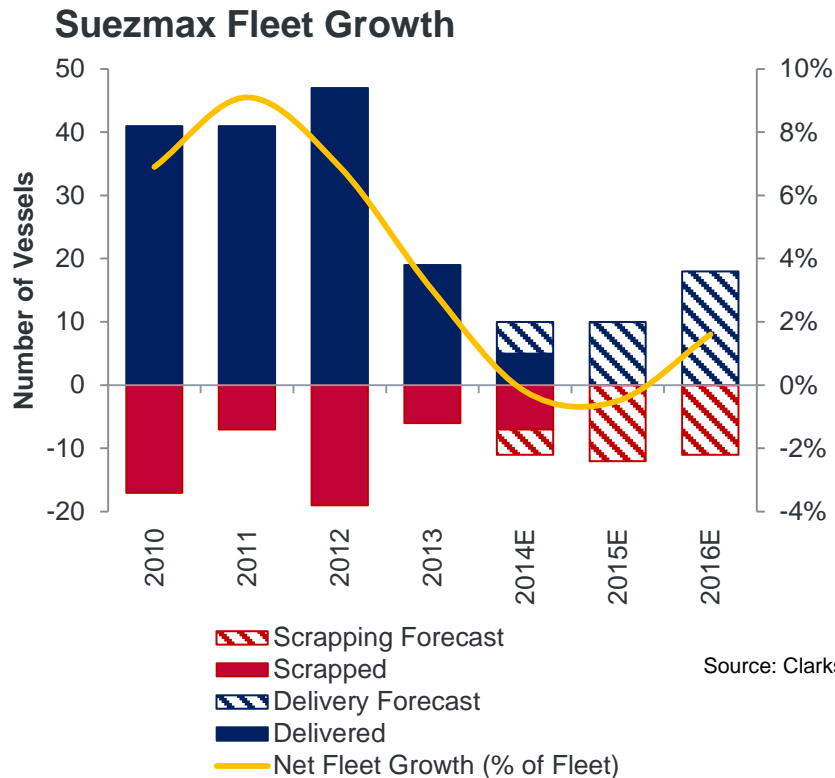


Source: Clarksons

- Expected demand increase of ~500 kb/d in Q4-14 in OECD, Chinese oil demand forecasted to increase by ~200 kb/d in Q4, though actual import requirements will be much higher as China takes advantage of recent low oil prices to fill its Strategic Petroleum Reserve
- Mid-size tanker rates moving up starting September due to :
  - Long haul movements (WAF and Caribs-FE) on Suezmaxes creates imbalance
  - Supply increase in Libya and ullage issues in USG creates spike for both Aframaxes and Suezmaxes
- Winter weather and transit delays into Q4-14 could give support to crude tanker rates in the form of delays

# A Shrinking Mid-Size Crude Tanker Fleet

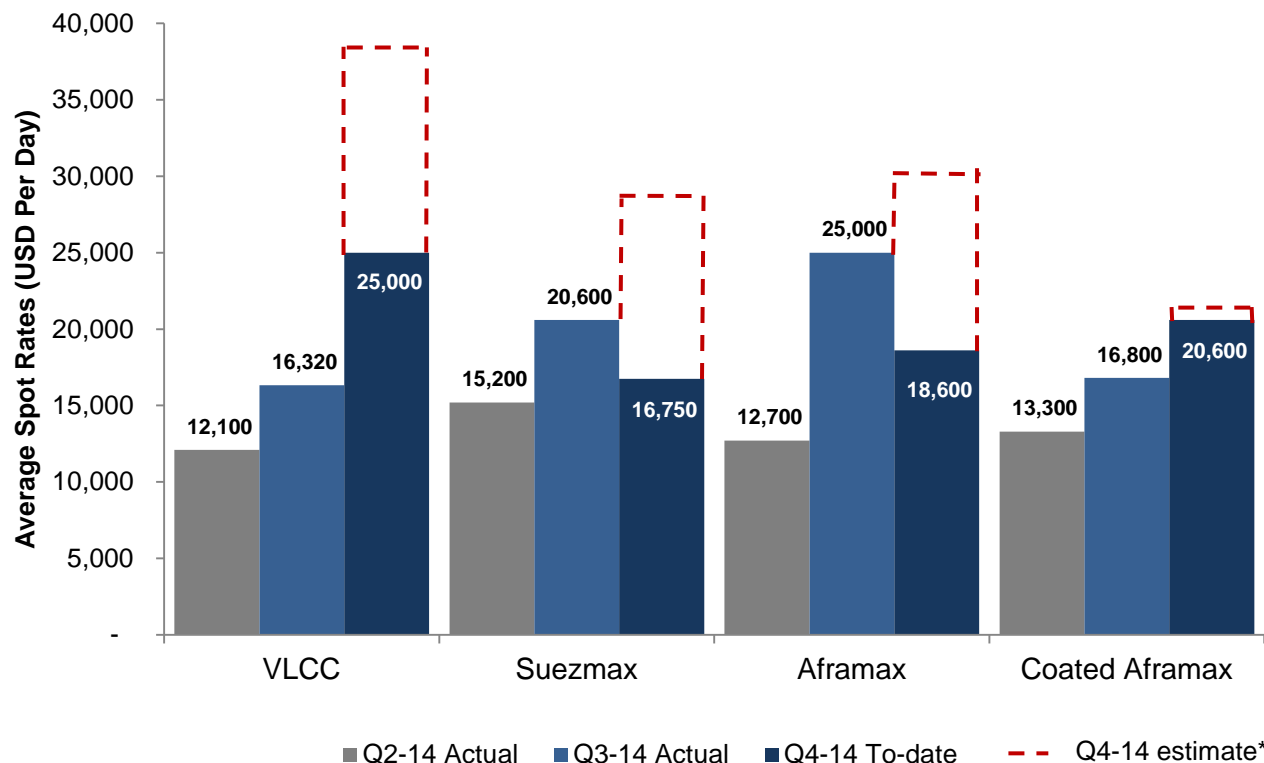
Declining mid-size crude tanker fleet driving a sustained market recovery



- Suezmax fleet size unchanged in 2014, and expected to contract by ~ 0.5% in 2015
- Aframax fleet shrank by 16 vessels so far in 2014 (4 deliveries vs. 20 scrapped)
  - Fleet expected to shrink by a total of 3.1% in 2014 and 2.2% in 2015

# Q4-14 Earnings Update

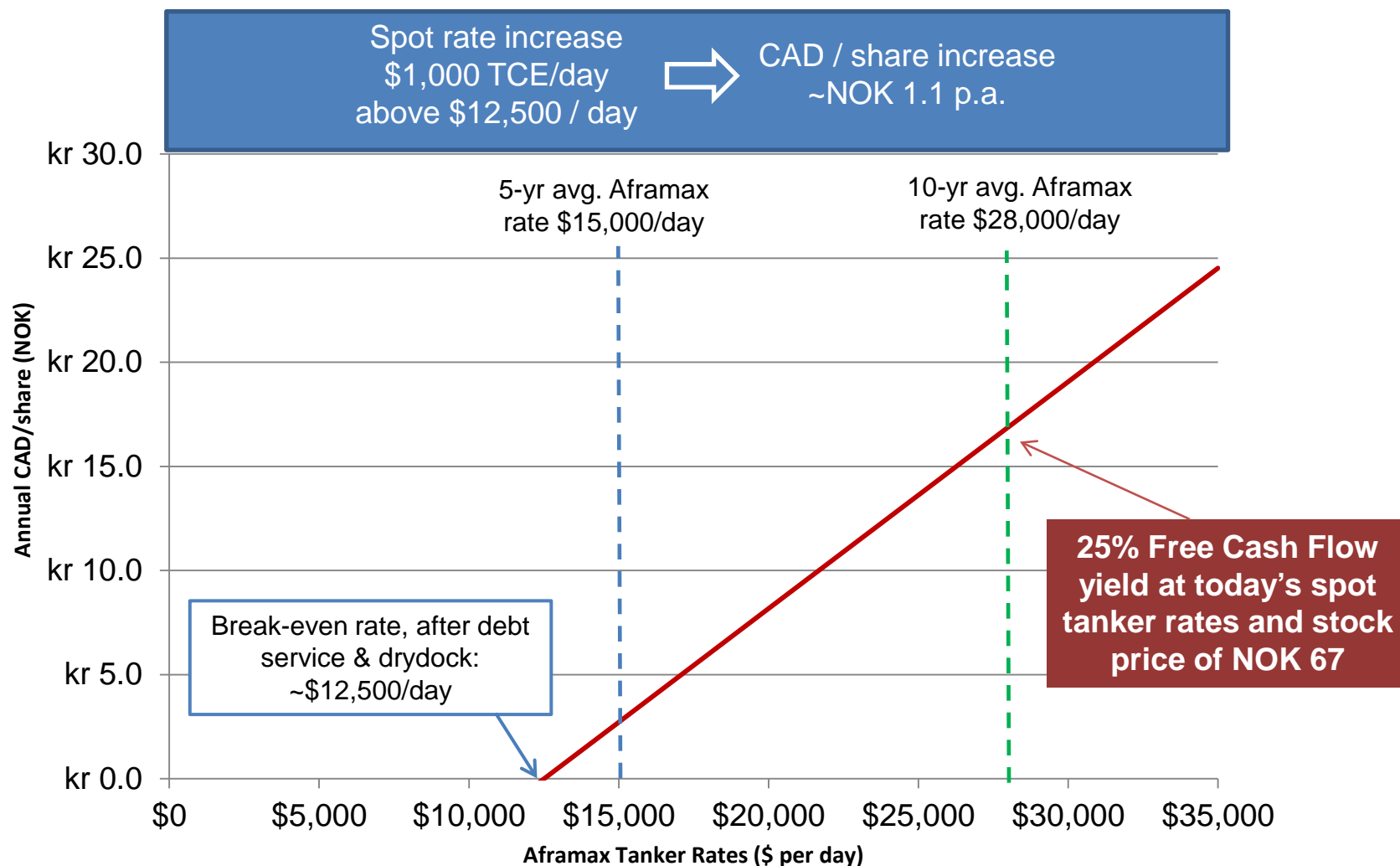
- Based on approximately 55% of days booked in the quarter, average spot bookings for Q4-14 to-date are slightly lower than Q3-14 but significantly higher than Q2-14



- Although Q4-14 spot bookings to-date are lower than Q3-14, recent strengthening in the market calls for stronger final Q4-14 results.

\*Q4-14 estimates are based on bookings to-date plus BTR-based forward rates for unfixed days (forward rates are: ~\$55k for VLCC, ~\$37k for Suezmax, ~\$32K for Aframax, and ~\$21k for LR2)

# Low Cash Breakeven and High Operating Leverage



Assumes exchange rate of 6.86 USD to NOK

Above calculations on an Aframax Equivalent basis => VLCCs at 1.4x, Suezmaxes at 1.2x. CAD, or Cash Available for Distribution represents Cash Flow from Vessel Operations less interest and drydock amortization.

# TIL Financial Profile

- Current liquidity of ~USD 120 million\*
  - Translates to ~USD110 million available for vessel acquisitions
- Leverage to future asset value appreciation will increase with vessel investments:

	As at Sept. 30, 2014 (pro forma for <i>Peak Spirit</i> acquisition and USD 30 million share repurchase)	Including ~USD 110 million ship acquisitions
Net debt to book capitalization	42%	51%
Net debt to Fair Market Value	37%	46%

- Leverage of ~50% appropriate for TIL with 100% of fleet trading spot

\* As of October 31, 2014, including the collateral value of vessels which were mortgaged after the end of the third quarter.



# TIL: Strategy and Performance To-Date



## Buy Assets

- ✓ Acquired assets at bottom of cycle, 14-vessel fleet appreciated ~20% since inception
- ✓ Opportunistic investment in VLCCs; up 7% in 6 months
- ✓ At 4.2 years, TIL owns one of the youngest fleets on-the-water
- ✓ Buying opportunities still exist despite quickly rising market

## Upgrade and Operate

- ✓ 50% of fleet drydocked since June
- ✓ Six vessels upgraded with fuel efficiency enhancements
- ✓ All vessels operating in pools with high pool points
- Generate substantial free cash flow in strong and rising spot market

## Sell to Realize Value

- Committed to strategically selling assets to realize value when time is right
- ~20% further upside to long-term average still exists