CONSOLIDATED FINANCIAL STATEMENTS
INDEPENDENT TANKERS CORPORATION LIMITED
YEAR ENDED DECEMBER 31, 2018

Index to the Consolidated Financial Statements of Independent Tankers Corporation Limited

Report of Independent Auditors

To the Board of Directors and Shareholders of Independent Tankers Corporation Limited

We have audited the accompanying consolidated financial statements of Independent Tankers Corporation Limited and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, of cash flows and of changes in equity for each of the three years in the period ended December 31, 2018.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Independent Tankers Corporation Limited and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers AS
Oslo, Norway
September 12, 2019

Independent Tankers Corporation Limited
Consolidated Statement of Operations for the years ended December 31, 2018, 2017 and 2016
(in thousands of $, except per share data)

	2018	2017	2016
Operating expenses (income)			
Administrative expenses (income)	**77**	111	86
Total operating expenses (income)	**77**	111	86
Net operating (loss) income	**(77)**	(111)	(86)
Other income (expenses)			
Gain on extinguishment of related party debt	**—**	—	105
Interest income	**2**	1	2
Loan interest expense	**(85)**	(66)	(175)
Other financial items	**—**	—	(1)
Net other expenses	(83)	(65)	(69)
Net loss	**(160)**	**(176)**	**(155)**
Basic and diluted loss per share	**$0.00**	$0.00	$0.00

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Balance Sheets as of December 31, 2018 and 2017
(in thousands of $)

	2018	2017
Assets		
Cash and cash equivalents	**143**	172
Total assets	**143**	172
Liabilities		
Due to related parties	**2,813**	2,703
Accrued expenses	**69**	48
Total liabilities	**2,882**	2,751
Deficit		
Share capital (2018 and 2017: 74,825,166 shares of $0.01 each)	**748**	748
Contributed surplus	**21,840**	21,840
Retained deficit	**(25,327)**	(25,167)
Total deficit	**(2,739)**	(2,579)
Total liabilities and deficit	**143**	172

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Statement of Cash Flows for the years ended December 31, 2018, 2017 and 2016
(in thousands of $)

	2018	2017	2016
Net loss	**(160)**	(176)	(155)
Adjustments to reconcile net loss to net cash used in operating activities:			
Other operating gains	**—**	—	(105)
Changes in operating assets and liabilities:			
Related party payables	**110**	84	(3,741)
Accrued expenses	**21**	36	(112)
Net cash used in operating activities	**(29)**	(56)	(4,113)
Net cash provided by investing activities	**—**	—	—
Net cash used in financing activities	**—**	—	—
Net change in cash and cash equivalents	**(29)**	(56)	(4,113)
Cash and cash equivalents at beginning of year	**172**	228	4,341
Cash and cash equivalents at end of year	**143**	172	228

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Consolidated Statement of Changes in Equity for the years ended December 31, 2018, 2017 and 2016
(in thousands of $, except number of shares)

	2018	2017	2016
Number of shares outstanding			
Balance at beginning and end of year	**74,825,166**	74,825,166	74,825,166
Share capital			
Balance at beginning and end of year	**748**	748	748
Contributed surplus			
Balance at beginning and end of year	**21,840**	21,840	21,840
Retained deficit			
Balance at beginning of year	**(25,167)**	(24,991)	(24,836)
Net loss	**(160)**	(176)	(155)
Balance at end of year	**(25,327)**	(25,167)	(24,991)
Total deficit	**(2,739)**	(2,579)	(2,403)

See accompanying notes that are an integral part of these consolidated financial statements.

Independent Tankers Corporation Limited
Notes to the Financial Statements

1. GENERAL

Independent Tankers Corporation Limited ("ITCL" or the "Company") was engaged primarily in the ownership and operation of oil tankers. The Company, through its wholly owned subsidiaries, had previously operated nine tankers of two sizes: six very large crude carriers ("VLCCs") which were between 200,000 and 320,000 deadweight tons ("dwt"), and three Suezmax tankers, which were vessels between 130,000 and 150,000 dwt.

ITCL was incorporated in early 2008 in Bermuda by Frontline Ltd. ("Frontline"), a Bermuda registered company, which is listed on the New York and Oslo stock exchanges. In February 2008, Frontline sold all of its shares in its wholly owned subsidiary, Independent Tankers Corporation ("ITC"), which was incorporated in the Cayman Islands, to ITCL. ITCL purchased ITC from Frontline for a consideration of $22.8 million. The consideration was satisfied by the issuance of 74,825,166 shares with a par value of $0.30 totalling $22.5 million and an interest free sellers credit of $0.3 million. The transfer was recorded by ITCL as a reverse acquisition, with ITC being the accounting acquirer, using Frontline's historical carrying values since the transaction is between entities under common control.

In March 2008, Frontline distributed 17.53% of ITCL's common shares to Frontline's ordinary shareholders and ITCL's common shares commenced trading on the Over-the-Counter-Market in Oslo under the ticker symbol "ITCL".

ITC was incorporated on April 8, 1998 for the purpose of acquiring three separate entities involved in financing and leasing transactions as follows:

The Cal Petro Group of Companies
In 1995, California Petroleum Transport Corporation ("CPTC"), a Delaware corporation, issued as full recourse obligations $117,900,000 8.52% First Preferred Mortgage Notes Due 2015 and $167,500,000 Serial First Preferred Mortgage Notes (together the "California Petroleum Notes"), as agent for one Isle of Man limited company and three Bahamian limited companies (the "Cal Petro Companies"). The Serial First Preferred Mortgage Notes were repaid on April 1, 2006. The proceeds from the sale of the California Petroleum Notes were applied by way of long-term loans to the Cal Petro Companies to fund the acquisition of four Suezmax tankers, the *Cygnus Voyager*, the *Front Voyager*, the *Altair Voyager* and the *Sirius Voyager*. On acquisition, these Suezmaxes were chartered out on long-term bareboat charters to Chevron Transport Corporation ("Chevron") expiring in 2015 subject to optional termination dates prior to that date.

On April 1, 2006, Chevron redelivered the *Front Voyager*, a single hull vessel owned by CalPetro Tankers (Bahamas III) Limited ("Bahamas III") pursuant to the exercise of the first termination option under the charter and a termination payment of $5.05 million. *Front Voyager* was subsequently chartered as a bareboat charter to Frontline.This charter was terminated on April 1, 2010 and a termination fee of $4.9 million was paid in accordance with the charter. The *Front Voyager* was sold on April 8, 2010 for net sale proceeds of $8.3 million. On April 13, 2010 the Company redeemed $10.88 million of the principal amount of the CPTC 8.52% First Preferred Mortgage Term Notes in connection with the sale of *Front Voyager*. On October 3, 2011, pursuant to the provisions of the Collateral Trust Agreement, excess funds of $6.7 million relating to Bahamas III were released and were dividended to ITCL on December 15, 2011. This dividend was eliminated on consolidation.

On October 1, 2014, CPTC entered into an Early Termination Agreement with CalPetro Tankers (Bahamas I) Limited , CalPetro Tankers (Bahamas II) Limited, CalPetro Tankers (IOM) Limited and Chevron. Under the Early Termination Agreement, (1) the existing bareboat charters (the "Bareboat Charters") for the vessels Altair Voyager, Cygnus Voyager and Sirius Voyager (together, the "Vessels"), were terminated as of October 1, 2014; (2) the charter hire payments paid in connection with the Early Termination Agreement were used to redeem the remaining outstanding 8.52% First Preferred Mortgage Notes due 2015 (the "Notes") pursuant to the terms of the indenture governing the Notes; and (3) the Vessels were sold to the Charterer pursuant to the provisions of the bareboat charters for the Vessels for $1 per vessel. The redemption of the Notes was made in accordance with the provisions of the indenture governing the Notes, pursuant to a Notice of Full Optional Redemption provided to holders of the Notes on September 26, 2014. The exercise of the $1 purchase option for the Altair Voyager, Cygnus Voyager and Sirius Voyager was considered a reconsideration event and the Company determined it was the primary beneficiary of the CalPetro Tankers (Bahamas I) Limited, CalPetro Tankers (Bahamas II) Limited, and CalPetro Tankers (IOM) Limited. These companies have been consolidated into the accounts from that date.

Calpetro Tankers (Bahamas I) Limited, Calpetro Tankers (Bahamas II) Limited and Calpetro Tankers (Bahamas III) Limited were dissolved on April 14, 2016.

The Golden State Group of Companies

In 1996, Golden State Petroleum Transport Corporation ("GSPTC"), a subsidiary of ITC, issued $127,100,000 8.04% First Preferred Mortgage Term Notes and $51,700,000 Serial First Preferred Mortgage Notes (together the "Golden State Notes"), as agent for two Isle of Man public limited companies (the "Golden State Companies"). The Serial First Preferred Mortgage Notes were repaid on February 1, 2006. The proceeds from the offering and sale of the Golden State Notes were used by the Golden State Companies to fund the construction of two VLCCs, the *Ulriken* (*ex Antares Voyager)* and the *Ulysses* (*ex Phoenix Voyager),* (the "Golden State VLCCs") that were delivered to the Golden State Companies in 1998 and 1999. On delivery, the Golden State VLCCs were chartered out on bareboat charters to Chevron each with an initial term of eighteen years with the charterer having an option to terminate the charters on the eighth anniversary of the respective delivery date of each Golden State VLCC and each of the four subsequent two-year anniversaries there of. On June 3, 2010, Chevron gave binding notice of termination of the bareboat charter for *Ulriken*, which took effect in December 2010. On September 7, 2012, Chevron gave binding notice of the termination of the bareboat charter for the *Ulysses* and the vessel was redelivered to the Company on March 15, 2013.

In March 2014, the *Ulysses* was sold to an unrelated third party for $25.3 million and the related Term Notes were redeemed in June 2014.

In October 2014, the *Ulriken* was sold to an unrelated third party for $26.0 million and the remaining outstanding balance of $36.7 million on the Term Notes was repaid in full in January 2015.

The Windsor Petroleum Group of Companies

In 1997, Windsor Petroleum Transport Corporation ("WPTC"), a subsidiary of ITC, issued $239,100,000 7.84% First Preferred Mortgage Term Notes and $111,700,000 Serial First Preferred Mortgage Notes (together the "Windsor Notes") as agent for four Isle of Man public limited companies (the "Windsor Companies"). The Serial First Preferred Mortgage Notes were repaid on July 15, 2010. The proceeds from the offering and sale of the Windsor Notes have been used by the Windsor Companies to lease and charter four very large crude carriers built in 1999 and 2000, the *British Pioneer*, the *British Progress*, the *British Purpose* and the *British Pride* (the "Windsor VLCCs"). A portion of the initial proceeds from the Windsor Notes was placed on deposit (the "Head Lease Support Deposits") and the balance of the proceeds were invested in a restricted investment, in the form of a guaranteed investment contract.

The Windsor Companies each entered into a lease (the "Head Leases") in respect of one of the Windsor VLCCs, pursuant to lease agreements with lessors which hold title to the Windsor VLCCs. The Windsor Companies' obligations under the Head Leases are secured by letters of credit. The Head Leases for the four vessels were terminated in January 2009 (*British Pioneer*), January 2010 (*British Progress),* July 2010 (*British Progress*) and July 2011 (*British Pride*). On the date each the head lease was terminated, Buckingham Petro Limited (*British Pioneer*), Caernarfon Petro Limited (*British Progress*), Sandringham Petro Limited (*British Purpose*) and Holyrood Petro Limited (*British Pride*) fellow subsidiaries of ITCL acquired the vessels.

The Windsor Companies had in turn chartered out the Windsor VLCCs on long term bareboat charters to BP Shipping Limited ("BP Shipping"). In December 2009, Buckingham Shipping PLC received irrevocable notice of termination for the bareboat charter *British Pioneer* and such termination took effect January 8, 2011. The vessel then traded on the spot market and was renamed *Pioneer*. In January 2013, Caernarfon Shipping PLC received irrevocable notice of termination for the bareboat charter *British Progress* and such termination took effect on March 12, 2014. The vessel then traded on the spot market and was renamed *Progress*. In July 2013, the Company was given twelve months notice by BP Shipping of the termination of the bareboat charter for *British Pride* and such termination was scheduled to take effect on July 30, 2014. In July 2013, BP Shipping did not exercise their right to terminate the lease for the *British Purpose*. In accordance with the terms of the charter agreement, the Minimum Rate Period ended July 14, 2014 and the vessel commenced its Variable Rate Period.

On July 15, 2014, several of the subsidiaries and related entities in the Windsor group, which owned four VLCCs, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court in Wilmington, Delaware. The Company had been consolidating the Windsor group under the variable interest entity model and de-consolidated the group on July 15, 2014 as it lost control of the group as a consequence of the Chapter 11 filing and recorded a loss of $12.4 million in the third quarter of 2014. The Windsor group emerged from Chapter 11 in January 2015 at which time all of the debt in the Windsor group was converted into equity and ownership was transferred to the then current bondholders. Frontline was appointed as commercial manager in January 2015 for the vessels that were owned by the Windsor group prior to its bankruptcy filing. The Company has no ongoing involvement with the Windsor group.

Current Situation
Following the sale of the *Ulriken* by the Golden State Group of Companies in October 2014, none of the Company's subsidiaries own or operate a vessel and the Company no longer has any active business operations.

2. ACCOUNTING POLICIES

Basis of accounting
The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The consolidated financial statements include the assets and liabilities of the Company and its subsidiaries and certain variable interest entities in which the Company is deemed to be the primary beneficiary. All intercompany balances and transactions have been eliminated on consolidation.

The preparation of financial statements in accordance with generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We evaluated all of our activity through September 12, 2019, and concluded that no subsequent events have occurred that would require recognition in the financial statements.

Cash and cash equivalents
For the purposes of the consolidated statements of cash flows, all demand and time deposits and highly liquid, low risk investments with original maturities of three months or less are considered equivalent to cash.

Financial instruments
In determining fair value of its financial instruments, a variety of methods and assumptions are used that are based on market conditions and risks existing at each balance sheet date. For the majority of financial instruments including long-term debt, standard market conventions and techniques are used to determine fair value. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

Interest payable on the Term Mortgage Notes is accrued on a daily basis.

Foreign exchange
All of the entities within the group have the U.S. dollar as their functional currency. Assets and liabilities are translated into the functional currency at exchange rates existing at the date of the balance sheet. Such currency translation gains and losses are included in the Consolidated Statement of Operations. Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rate at the transaction date.

Earnings per share
Basic earnings per share (“EPS”) is computed based on the income available to common stockholders and the weighted average number of shares outstanding. Diluted EPS includes the effect of the assumed conversion of potentially dilutive instruments.

Other comprehensive income
The Company has no other comprehensive income.

3. RECENT ACCOUNTING PRONOUCEMENTS

The Company does not expect that any recently issued accounting pronouncements will have a significant impact on its consolidated financial statements.

4. INCOME TAX

Bermuda
Under current Bermuda law, the Company is not required to pay taxes in Bermuda on either income or capital gains. The Company has received written assurance from the Minister of Finance in Bermuda that, in the event of any such taxes being imposed, the Company will be exempted from taxation until March 31, 2035.

Cayman Islands
Under Cayman Islands Tax Concessions Law (1995 Revision) Section 6, the Company and its subsidiaries are not required to pay taxes on either income, gains or appreciations. The Company and its consolidated affiliates have received written assurance from the Governor in Council in the Cayman Islands that the Company and its consolidated affiliates will be exempt until the year 2018.

Other jurisdictions
Certain of the Company's consolidated affiliates are incorporated in the Bahamas and Isle of Man. Under these jurisdictions the Company and its subsidiaries are not liable to pay taxes.

United States
The Company does not accrue U.S. income taxes as the Company is not engaged in a U.S. trade or business and is exempted from a gross basis tax under Section 883 of the U.S. Internal Revenue Code.

The Company does not have any unrecognized tax benefits, material accrued interest or penalties relating to income taxes.

5. SEGMENT INFORMATION

The Company and the chief operating decision maker ("CODM") measure performance based on the Company's overall return to shareholders based on consolidated net income. The CODM does not review a measure of operating result at a lower level than the consolidated group. Consequently, the Company has only one reportable segment: crude oil tankers.

The Company's management does not evaluate performance by geographical region as this information is not meaningful.

The Company did not have any operating revenues in 2018, 2017 or 2016.

6. EARNINGS PER SHARE

The computation of basic EPS is based on the net loss of $0.2 million for the year ended December 31, 2018, and the net loss of $0.2 million and $0.2 million for the years ended December 31, 2017 and 2016, respectively.

The computation of basic EPS is based on the weighted average number of shares outstanding during the year of 74,825,166 for each of the years ended December 31, 2018, 2017 and 2016. There were no potentially dilutive instruments outstanding in the years ended December 31, 2018, 2017 and 2016.

7. FINANCIAL INSTRUMENTS

Fair Values
The carrying value and estimated fair value of the Company's financial instruments are as follows:

(in thousands of $)	**2018 Fair Value**	**2018 Carrying Value**	2017 Fair Value	2017 Carrying Value
Financial assets:				
Cash and cash equivalents	**143**	**143**	172	172
Financial liabilities:				
Floating rate debt	**1,712**	**1,712**	1,627	1,627

The estimated fair values of financial assets and liabilities areas follows:

(in thousands of $)	**2018 Fair Value**	Level 1	Level 2	Level 3
Financial assets:				
Cash and cash equivalents	**143**	143	—	—
Financial liabilities:				
Floating rate debt	**1,712**	—	1,712	—

(in thousands of $)	**2017 Fair Value**	Level 1	Level 2	Level 3
Financial assets:				
Cash and cash equivalents	**172**	172	—	—
Financial liabilities:				
Floating rate debt	**1,627**	—	1,627	—

The following methods and assumptions were used to estimate the fair value of each class of financial instrument;

Cash and cash equivalents - the carrying values in the balance sheet approximate their fair value.

Concentrations of risk
There is a concentration of credit risk with to cash to the extent that substantially all of the amounts are carried with Nordea Bank Norge ASA.

8. SHARE CAPITAL

Authorized share capital:

(in thousands of $, except for share data)	**2018**	2017
20,000,000,000 ordinary shares of $0.01 each	**200,000**	200,000

Issued share capital:

(in thousands of $, except for share data)	**2018**	2017
74,825,166 ordinary shares of $0.01 each	**748**	748

9. RELATED PARTY TRANSACTIONS

We transact business with Frontline, our ultimate majority shareholder.

All balances due to related parties as at December 31, 2018 and 2017 related to Frontline Ltd.

The Company has recorded expenses with related parties as follows:

(in thousands of $)	**2018**	2017	2016
Loan interest expense - Frontline	**85**	66	175

In December 2011, Frontline provided a loan of $30.6 million at an interest rate of 2.5% above LIBOR. The remaining balance on the loan as at December 31, 2018 was $1.7 million (December 31, 2017: $1.6 million). As of December 31, 2018 the full balance is repayable on September 30, 2019. In addition to the loan, included within the $2.8 million balance owed to Frontline at December 31, 2018 are recharged administrative expenses and accrued interest. Furthermore, Frontline has undertaken as majority shareholder to continue to provide financial and other support as necessary, to the Company for a period of at least 12 months from the signing of the auditors report to enable the company to meet their liabilities as they fall due.

In 2016, the Golden State Companies, ITCL and Frontline, entered into a deed of waiver, pursuant to which Frontline unconditionally and irrevocably released the Golden State Companies from their obligations to repay the related party debt owed to Frontline. The Company recognised a non cash gain of $0.1 million in 2016 in relation to the forgiveness of this debt.

10. SUBSEQUENT EVENTS

On April 8, 2019, the companies CalPetro Tankers (IOM) Limited and CalPetro Holdings Limited were dissolved.

On July 6, 2019, the Golden State Companies were dissolved.

In September 2019, Frontline extended the maturity of its loan to the Company by one year to September 30, 2020.