

# Independent Tankers Corporation Limited Q2 2010 Results



**August 27, 2010**

# Agenda

- Highlights
- Financials – Income Statement and Balance Sheet Q2 2010
- Cash Cost Breakeven
- Charter Overview
- Market
- Appendix
  - Company Overview

# Disclaimer

THIS PRESENTATION AND ITS ENCLOSURES AND APPENDICES (HEREINAFTER JOINTLY REFERRED TO AS THE "PRESENTATION" HAS BEEN PREPARED BY INDEPENDENT TANKERS CORPORATION LIMITED. ("ITCL" or THE "COMPANY") EXCLUSIVELY FOR INFORMATION PURPOSES. THIS PRESENTATION HAS NOT BEEN REVIEWED OR REGISTERED WITH ANY PUBLIC AUTHORITY OR STOCK EXCHANGE. RECIPIENTS OF THIS PRESENTATION MAY NOT REPRODUCE, REDISTRIBUTE OR PASS ON, IN WHOLE OR IN PART, THE PRESENTATION TO ANY OTHER PERSON.

THE DISTRIBUTION OF THIS PRESENTATION AND THE OFFERING, SUBSCRIPTION, PURCHASE OR SALE OF SECURITIES ISSUED BY THE COMPANY IN CERTAIN JURISDICTIONS IS RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS PRESENTATION MAY COME ARE REQUIRED BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN OR FROM WHICH IT INVESTS OR RECEIVES OR POSSESSES THIS PRESENTATION AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED UNDER THE LAWS AND REGULATIONS IN FORCE IN SUCH JURISDICTION, AND THE COMPANY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR THESE OBLIGATIONS. IN PARTICULAR, NEITHER THIS PRESENTATION NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN.

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

IN RELATION TO THE UNITED STATES AND U.S. PERSONS, THIS PRESENTATION IS STRICTLY CONFIDENTIAL AND IS BEING FURNISHED SOLELY IN RELIANCE ON APPLICABLE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THE SHARES OF MDL HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT IS AVAILABLE. ACCORDINGLY, ANY OFFER OR SALE OF SHARES IN MDL WILL ONLY BE OFFERED OR SOLD (I) WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, ONLY TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN PRIVATE PLACEMENT TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S. ANY PURCHASER OF SHARES IN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OF U.S. PERSONS, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND ACKNOWLEDGEMENTS, INCLUDING WITHOUT LIMITATION THAT THE PURCHASER IS A QIB.

NONE OF THE COMPANY'S SHARES HAS BEEN OR WILL BE QUALIFIED FOR SALE UNDER THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY OF CANADA. THE COMPANY'S SHARES ARE NOT BEING OFFERED AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN CANADA OR TO OR FOR THE ACCOUNT OF ANY RESIDENT OF CANADA IN CONTRAVENTION OF THE SECURITIES LAWS OF ANY PROVINCE OR TERRITORY THEREOF.

THIS PRESENTATION INCLUDES "FORWARD-LOOKING" STATEMENTS (DEFINED IN SECTION 27A OF THE US SECURITIES ACT AND SECTION 21E OF THE US EXCHANGE ACT AS ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS) INCLUDING, WITHOUT LIMITATION, THOSE REGARDING THE COMPANY'S FINANCIAL POSITION, BUSINESS STRATEGY, PLANS AND OBJECTIVES FOR FUTURE OPERATIONS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY, OR, AS THE CASE MAY BE, THE INDUSTRY, TO MATERIALLY DIFFER FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE BASED ON NUMEROUS ASSUMPTIONS REGARDING THE COMPANY'S PRESENT AND FUTURE BUSINESS STRATEGIES AND THE ENVIRONMENT IN WHICH THE COMPANY WILL OPERATE. AMONG THE IMPORTANT FACTORS THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO MATERIALLY DIFFER FROM THOSE IN THE FORWARD-LOOKING STATEMENTS ARE, AMONG OTHERS, THE COMPETITIVE NATURE OF THE MARKETS, TECHNOLOGICAL DEVELOPMENTS, GOVERNMENT REGULATIONS, CHANGES IN ECONOMICAL CONDITIONS OR POLITICAL EVENTS.

# Highlights

- Net income Q2-2010: \$1.0 million and EPS \$0.01, compared to \$6.1 million and EPS \$0.08 in Q1-2010.
- The single hull Suezmax vessel, Front Voyager, was sold for net proceeds of \$8.3 million in April 2010. The Company recorded a gain on sale of approximately \$0.1 million in the second quarter.
- In June 2010, Chevron Transport Corporation gave binding notice of termination of the bareboat charter for the VLCC Antares Voyager and gave non-binding notice of termination of the bareboat charter for the VLCC Phoenix Voyager.
- In July 2010, BP Shipping Limited extended the bareboat charter for the VLCC British Purpose for one additional year.
- In July 2010, BP Shipping Limited extended the charter for the double hull VLCC British Pride for one year after the fixed period ends in July 2011.
- The UK tax lease for the VLCC British Purpose was terminated July 14, 2010.
- The Company's charter coverage for its six double hull VLCCs is 99 percent for the remaining part of 2010 and 53 percent in 2011, if charters are not extended. For the three double hull Suezmax tankers, the charter coverage is 100 percent for the remaining part of 2010 to 2015.

# Income Statement

<b>2009</b>	<b>2010</b>	<b>CONDENSED CONSOLIDATED INCOME STATEMENTS</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
<b>Apr-June</b>	<b>Apr-June</b>	<i>(in thousands of \$)</i>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Jan-Dec</b>
					<i>(audited)</i>
<b>14,556</b>	<b>13,394</b>	<b>Total operating revenues</b>	<b>29,535</b>	<b>29,123</b>	<b>58,237</b>
-	95	Gain on sale of assets	95	-	-
276	219	Administrative expenses	553	478	939
4,937	4,390	Depreciation	8,868	9,875	18,868
<b>5,213</b>	<b>4,609</b>	<b>Total operating expenses</b>	<b>9,421</b>	<b>10,353</b>	<b>19,807</b>
<b>9,343</b>	<b>8,880</b>	<b>Operating income</b>	<b>20,209</b>	<b>18,770</b>	<b>38,430</b>
4,961	3,760	Interest income	7,649	9,617	20,122
(6,769)	(6,502)	Loan interest expenses	(13,222)	(13,603)	(27,251)
(3,487)	(2,187)	Capital lease interest expenses	(4,464)	(6,509)	(14,011)
(260)	(2,808)	Other financial items	(2,875)	(523)	(718)
(101)	(112)	Equity losses from unconsolidated subsidiaries	(285)	(143)	(422)
(444)	14	Foreign currency exchange (loss) gain	116	(478)	(380)
<b>3,243</b>	<b>1,045</b>	<b>Net income</b>	<b>7,128</b>	<b>7,131</b>	<b>15,770</b>
<b>\$0.04</b>	<b>\$0.01</b>	<b>Basic and diluted earnings per share (\$)</b>	<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.21</b>
		<b>Income on bareboat basis (\$ per day per vessel)</b>			
25,400	24,500	VLCC	24,600	25,500	25,300
7,900	-	Suezmax	7,900	7,900	7,800

# Balance Sheet

<b>CONDENSED CONSOLIDATED BALANCE SHEETS</b> <i>(in thousands of \$)</i>	<b>Jun 30, 2010</b>	<b>Jun 30, 2009</b>	<b>Dec 31, 2009</b>
<b>ASSETS</b>			
<b>Short term</b>			
Cash and cash equivalents	2,537	907	1,302
Restricted cash	173,206	168,968	244,821
Other current assets	2,865	5,439	6,652
<b>Long term</b>			
Restricted cash	69,116	148,447	70,075
Vessels and equipment, net	212,130	173,803	169,185
Vessels under capital lease, net	112,704	176,853	172,479
Investment in onconsolidated companies	3,121	3,686	3,407
Other long term assets	-	35	31
<b>Total assets</b>	<b>575,679</b>	<b>678,138</b>	<b>667,952</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>Short term</b>			
Short term debt and current portion of long term debt	47,550	47,654	45,352
Current portion of obligations under capital lease	66,179	72,566	139,908
Other current liabilities	33,969	38,049	40,437
<b>Long term</b>			
Long term debt	295,861	320,565	313,443
Obligations under capital lease	65,988	144,581	69,740
Other long term liabilities	5,317	9,686	5,404
Stockholders' equity	60,815	45,037	53,668
<b>Total liabilities and stockholders' equity</b>	<b>575,679</b>	<b>678,138</b>	<b>667,952</b>

# Cash Cost Breakeven

Present cash cost breakeven rates (\$/day)

VLCC

18,500

# Charter overview

## WINDSOR

*Dates are estimates only*

Vessel	Charterer	FIXED PERIOD			MINIMUM RATE PERIOD				MARKET RELATED PERIOD		Chr Purch. Opt	
		Start date	End date*)	BB Rate	4 years period		Termination Options		BB Rate **)	6 years period		
British Pioneer	BP	02.12.1999	02.01.2009	\$24 895	02.01.2009	02.01.2013	02.01.2009 and each anniversary thereafter		Market rate, but min. \$20 000	02.01.2013	02.01.2019	No
British Progress	BP	19.06.2000	02.02.2010	\$24 895	02.02.2010	02.02.2014	02.02.2010 and each anniversary thereafter			02.02.2014	02.02.2020	No
British Purpose	BP	14.08.2000	14.07.2010	\$24 895	14.07.2010	14.07.2014	14.07.2010 and each anniversary thereafter			14.07.2014	14.07.2020	No
British Pride	BP	16.11.2000	30.08.2011	\$24 895	30.08.2011	30.08.2015	30.08.2011 and each anniversary thereafter			30.08.2015	30.08.2021	No

## GOLDEN STATE

*Dates are estimates only*

Vessel	Charterer	FIXED PERIOD			REMAINING TERMINATION PERIODS						Term. Notice	Final. Notice	Chr. Purch. Opt
		Start date	End date	BB Rate	Option 1****)	Option 2	Option 3	Option 4	End charter	BB Rate 2006/7 to end charter			
Antares Voyager	Chevron	07.12.1998	07.12.2006	\$27 199	07.12.2008	07.12.2010	07.12.2012	07.12.2014	07.12.2016	\$28 500	9 months	6 months	No
Phoenix Voyager	Chevron	15.03.1999	15.03.2007	\$27 199	15.03.2009	15.03.2011	15.03.2013	15.03.2015	15.03.2017	\$28 500	9 months	6 months	No

## CALIFORNIA PETROLEUM

*Dates are estimates only*

Vessel	Charterer	FIXED PERIOD			TERMINATION PERIODS					Term. Notice	Final. Notice	Chr. Purch. Opt	
		Start date	End date	BB Rate	Option 1****)	Termin fee	Option 2****)	End Charter	BB Rate				
Cygnus Voyager	Chevron	31.03.1993	01.04.2003	-	01.04.2009	\$9 970 000		15.04.2015	\$15 000 reducing to \$9 000	12 months	7 months	Yes - \$1	
Altair Voyager	Chevron	31.08.1993	01.04.2004	-	01.04.2010	\$8 940 000		15.04.2015	\$15 000 reducing to \$9 000	12 months	7 months	Yes - \$1	
Sirius Voyager	Chevron	31.10.1994	01.04.2005	-	01.04.2009	\$8 890 000	01.04.2011	\$7 880 000	15.04.2015	\$15 000 reducing to \$9 000	12 months	7 months	Yes - \$1

\*) 12 months notice period must be given before the Fixed Periods ends. 12 months notice has been given for British Pioneer and charter terminates January 2, 2011.

12 months notice has not been given for British Progress for the first and second termination option 02.02.2010 and 02.02.2011. Same applicable for first and second term. option 14.07.2010 and 14.07.2011 for British Purpose.

12 months notice has not been given for British Pride for the first termination option 30.07.2011.

\*\*) Minimum rate of \$20,000 is payable every month, but market adjustment works on a 4 year cumulative average basis, or shorter if BP cancel the charter.

\*\*\*) 6 months binding-notice must be given before Option 2 dates ends. 6 months binding notice has been given for Antares Voyager, and 9 months non-binding notice has been given for Phoenix Voyager.

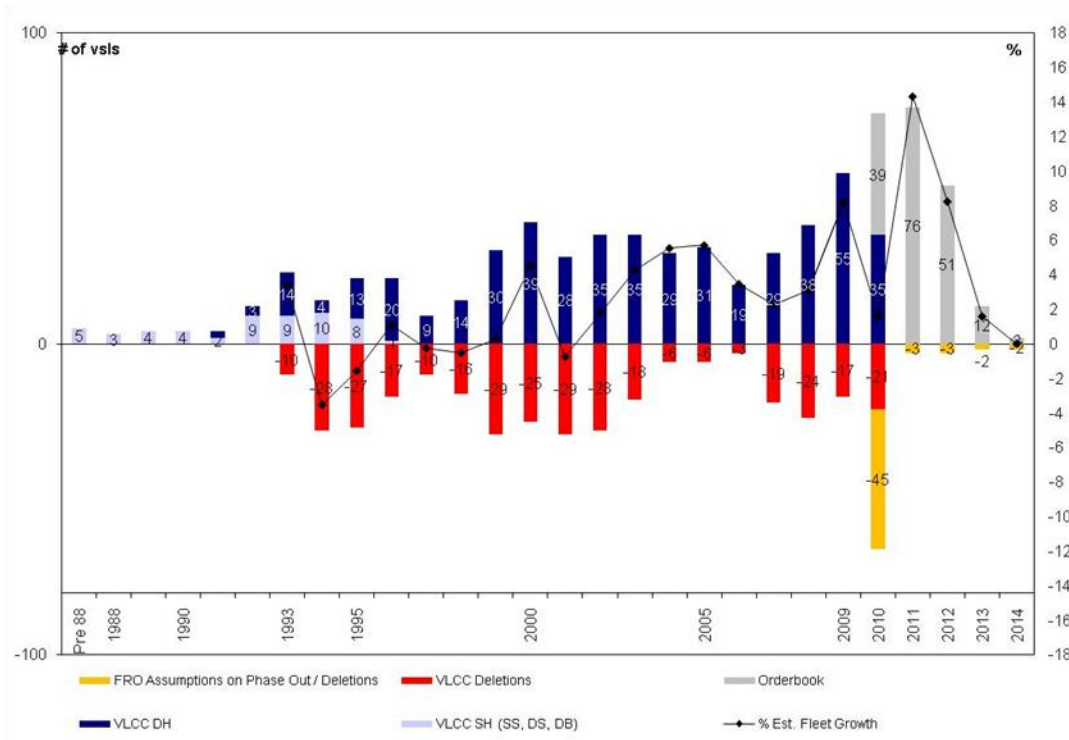
\*\*\*\*) All the three vessels are now fixed on bareboat charter until April 1, 2015.



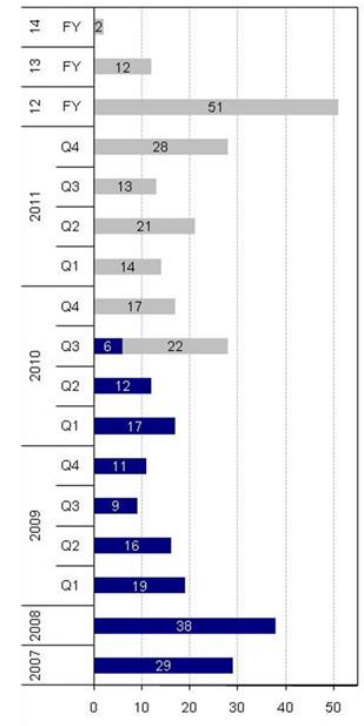
# VLCC Fleet

<b>Current Fleet</b>	<b>537</b>	<b>Orderbook</b>	<b>180</b>
<b>DH Fleet</b>	<b>482</b>	<b>Deliveries 2010</b>	<b>74</b>
<b>SH (DS, DB, SS) Fleet</b>	<b>55</b>	<b>Deliveries 2011</b>	<b>76</b>

## Current Fleet & Orderbook



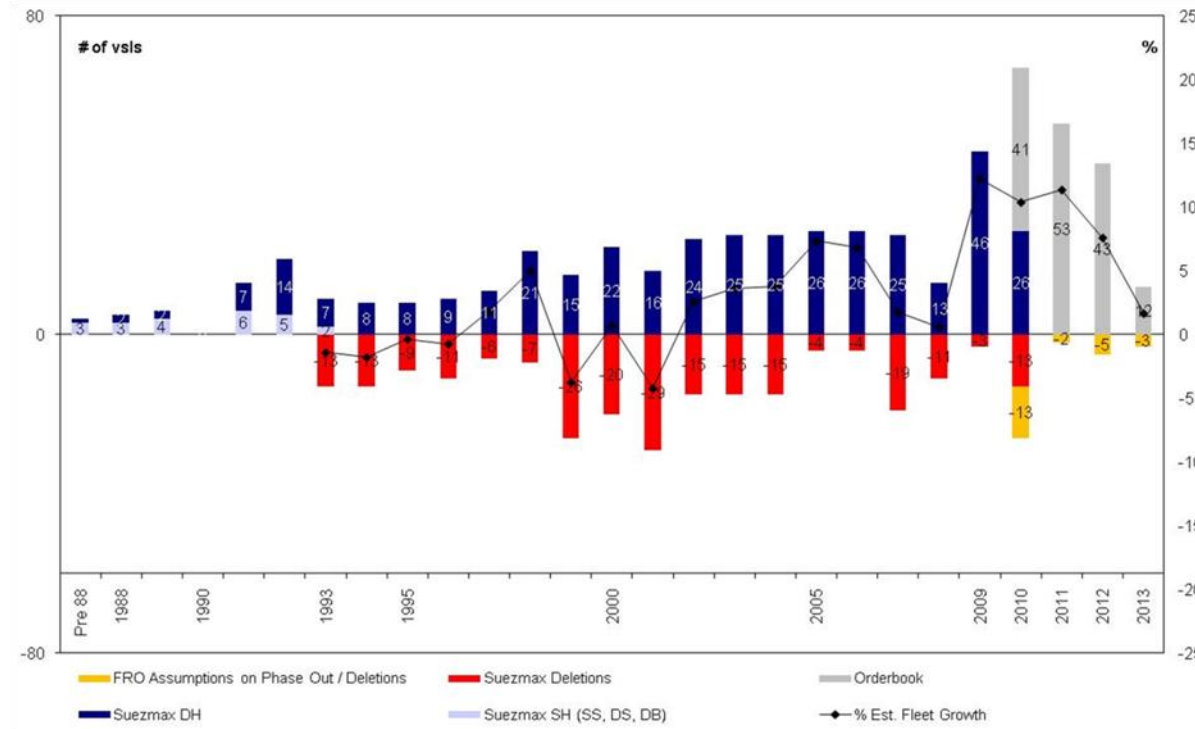
## Delivery Schedules



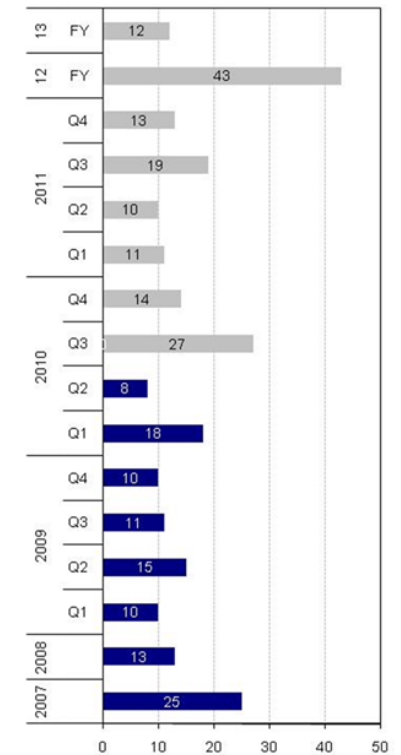
# Suezmax Fleet

<b>Current Fleet</b>	<b>406</b>	<b>Orderbook</b>	<b>151</b>
<b>DH Fleet</b>	<b>383</b>	<b>Deliveries 2010</b>	<b>67</b>
<b>SH (DS, DB, SS)</b>	<b>23</b>	<b>Deliveries 2011</b>	<b>53</b>

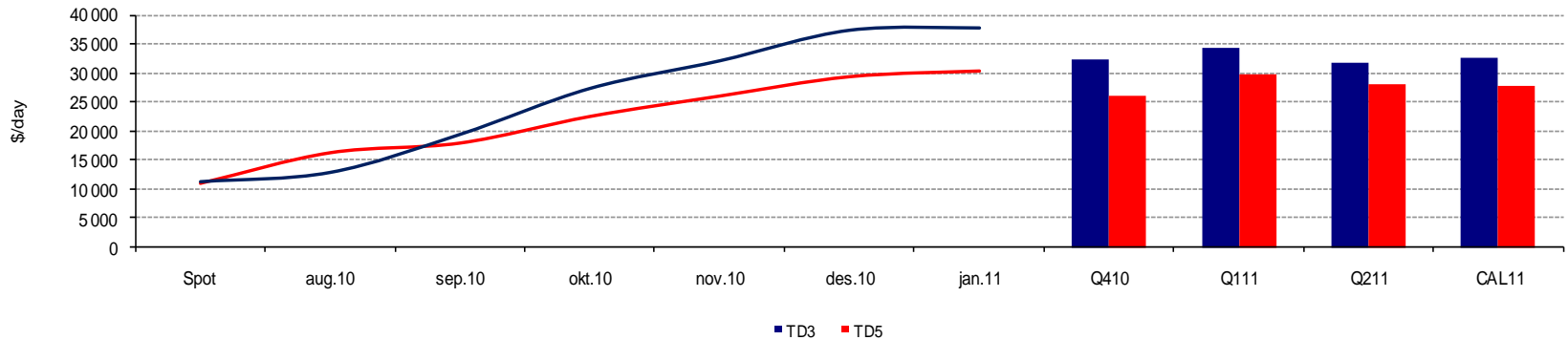
## Current Fleet & Orderbook



## Delivery Schedules



## FORWARD MARKET



## ITCL

- From January 2009, the VLCC British Pioneer came off a fixed charter rate and started to trade at a market rate, with a minimum rate of \$20,000 per day. The same was applicable for British Progress in February 2010 and British Purpose in July 2010.
- The last VLCC on bareboat charter to BP will start trading at a market rate with a minimum of \$20,000 per day in the end of July 2011.

# Company Description

- Independent Tankers Corporation Limited (Bermuda) is a holding company that through Independent Tankers Corporation (Cayman Islands) owns three holding companies, each of which owns or leases tanker vessels which have been bareboat chartered to BP Shipping Limited or Chevron Transport Corporation on long term charters.
- The three ship owning structures are all financed through bond issues in the US capital markets.
- Frontline Ltd. also acts as manager for ITC and its subsidiaries.

## Golden State Holdings Group

- Owns two separate shipowning companies: Golden State Petro (IOM 1-A) PLC and Golden State Petro (IOM 1-B) PLC. Each company owns a VLCC fixed on an bareboat charter to Chevron Texaco with options to extend the charter for 2 years every second year. The charters expires in 2016/2017.
- The Group has as per 30.06.2010 outstanding a term mortgage note of USD 110.5 million, with effective interest rate of 8.04% and maturity in 2019.

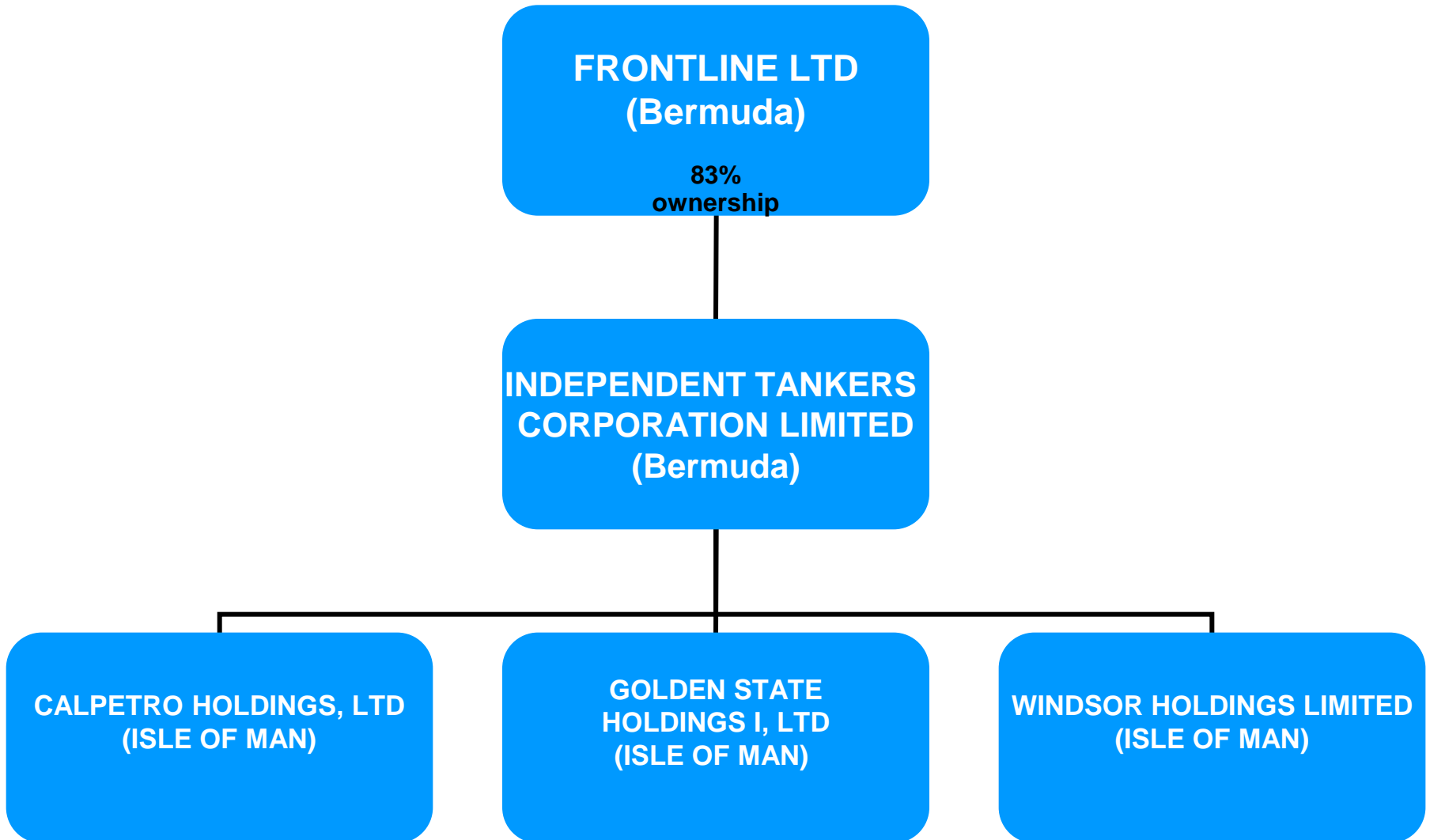
## California Petroleum Holdings Group

- Owns four separate shipowning companies: CalPetro Tankers (Bahamas I) Ltd, CalPetro Tankers (Bahamas II) Ltd, CalPetro Tankers (Bahamas III) Ltd and CalPetro Tankers (IOM) Ltd. Each company owns a Suezmax vessel. With exception for Front Voyager, 3 of the vessel are fixed on a B/B charter to Chevron Texaco until 2015, with options for Chevron Texaco to terminate on certain dates. Front Voyager is on a B/B charter to Frontline, with options for Frontline to terminate each year from 2008. Chevron has purchase options for all vessels, except Front Voyager, in 2015 (\$1 per vsl)
- The Group has as per 30.06.2010 outstanding a term mortgage note for USD 47.6 million, with effective interest rate of 8.52% and maturity in 2015.

## Windsor Petroleum Holdings Group

- Four separate companies: Buckingham Shipping Plc, Caernarfon Shipping Plc, Sandringham Shipping Plc, Holyrood Shipping Plc. Each company leases a VLCC, each fixed until 2009/2010, bareboat charter to BP with options for BP to terminate on certain dates.
- The Group has as per 30.06.2010 outstanding term mortgage note of USD 237.5 million with effective interest rate of 7.84% and maturity in 2021. And in addition a serial mortgage notes of USD 1.2 million, with an interest rate of 6.68% which matured in July 2010.

# Corporate overview





# Fleet

WINDSOR	Company name	Vessel	Type	Dwt	Built
	Buckingham Shipping Plc	British Pioneer	VLCC - DH	307 000	1999
	Caernarfon Shipping Plc	British Progress	VLCC - DH	307 000	2000
	Sandringham Shipping Plc	British Purpose	VLCC - DH	307 000	2000
	Holyrood Shipping Plc	British Pride	VLCC - DH	307 000	2000

GOLDEN STATE	Company name	Vessel	Type	Dwt	Built
	Golden State Petro (IOM 1-A) Plc	Antares Voyager	VLCC - DH	309 996	1998
	Golden State Petro (IOM 1-B) Plc	Phoenix Voyager	VLCC - DH	308 500	1999

CALIFORNIA	Company name	Vessel	Type	Dwt	Built
	Calpetro Tankers (IOM) Ltd	Sirius Voyager	Suezmax - DH	156,380	1994
	Calpetro Tankers (Bahamas I) Ltd	Cygnus Voyager	Suezmax - DH	156 836	1993
	Calpetro Tankers (Bahamas II) Ltd	Altair Voyager	Suezmax - DH	135 829	1993

# Board and Management

- **Tor Olav Trøim**  
Mr. Trøim has been the Chairman of the Board and director since January 2008. Mr. Trøim is a board member in Golar LNG Limited, Golden Ocean Group Limited, Seawell Limited and Seadrill Limited, and is also involved in a series of other shipping and oil & offshore companies.
- **Kate Blankenship**  
Mrs. Blankenship has been the Deputy Chairman and director on the company since the January 2008. Mrs. Blankenship is also a board member of Frontline Ltd, Golar LNG Limited, Seadrill Limited, Ship Finance International Limited and Golden Ocean Group Limited.
- **Kathrine Fredriksen**  
Ms. Fredriksen has been a director of the Company since May 2009. Ms. Fredriksen is employed by Frontline Corporate Services Ltd. Ms. Fredriksen is a director of Frontline, Seadrill Limited and Golar LNG Limited. Ms. Fredriksen is the daughter of Mr. John Fredriksen, the Chairman, CEO and a principal shareholder of Frontline.
- **Inger M. Klemp**  
Mrs. Klemp has been a director of the Company since May 2008. Mrs. Klemp has served as Chief Financial Officer of Frontline Management AS since June 1, 2006. Mrs. Klemp has served as Vice President Finance from August 2001 until she was promoted in May 2006. Mrs. Klemp graduated as MSc in Business and Economics from the Norwegian School of Management (BI) in 1986. Mrs. Klemp served as Assistant Director Finance in Color Group ASA from 1998 to 2001 and as Group Financial Manager in Color Line ASA from 1992 to 1998, a Norwegian based cruise operator which was stock listed up to October 1999. From 1989 to 1992 Mrs. Klemp served as Assistant Vice President in Nordea Bank Norge ASA handling structuring and syndication of loan facilities in the international banking market. From 1986 to 1989, Mrs. Klemp served as a lending officer of Fokus Bank ASA.
- **Bengt Neteland**  
The Board of Independent Tankers Corporation Limited has engaged Vice President Finance in Frontline Management AS Bengt Neteland as the dedicated person to focus on the restructuring process of the Company. Mr. Neteland joined Frontline Management AS as Vice President Finance in April 2005. Prior to joining Frontline Management AS, Mr. Neteland worked as Financial Manager in Belden Shipping Pte Ltd. Earlier he worked as a Key Account Manager for the insurance company Storebrand Livsforsikring AS and as a Treasurer for Frontline Management AS. Mr. Neteland holds the equivalent of a Masters degree from the Norwegian School of Economics and Business Administration (NHH).



# Annual Reports

- ANNUAL REPORTS (20-F) FOR THE GOLDEN STATE & CALIFORNIA STRUCTURES, PLEASE GO TO:
- [WWW.ITCL.BM](http://WWW.ITCL.BM) -> INVESTOR RELATION-> SEC FILINGS
- THE ABOVE MENTIONED STRUCTURES ARE FILING ONE ANNUAL REPORT (20-F) FOR EACH VESSEL OWNING COMPANY, TOTALLY SIX.

# Website

<http://www.itcl.bm>