

Independent Tankers Corporation Limited Q4 2010 Results



February 22, 2011

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Highlights

- Independent Tankers reports net income Q4-2010: \$5.5 million and EPS of \$0.07, compared to \$2.8 million and EPS \$0.04 in Q3-2010.
- Independent Tankers reports net income of \$15.5 million and EPS of \$0.20, for the twelve months ended December 31, 2010 compared to \$15.8 million and EPS of \$0.21 for the twelve months ended December 31, 2009.
- The bareboat charter with Chevron Transport Corporation for the VLCC Antares Voyager terminated on December 8, 2010 at which time the vessel was redelivered to the Company. The vessel is presently trading in the spot market.
- The bareboat charter with BP Shipping Limited for the VLCC Pioneer terminated on January 10, 2011 at which time the vessel was redelivered to the Company. The vessel is presently trading in the spot market.
- In February 2011, BP Shipping Limited extended the charter for the VLCC British Progress for one additional year.
- Independent Tankers recognizes a gain of \$3.6 million in the fourth quarter on the termination of a Windsor funding agreement.

Income Statement

2009 Oct-Dec	2010 Oct-Dec	CONDENSED CONSOLIDATED INCOME STATEMENTS (in thousands of \$)	2010 Jan-Dec	2009 Jan-Dec (audited)
14,557	12,328	Total operating revenues	55,097	58,237
-	-	- Gain on sale of assets	95	-
-	284	Ship Operating expenses	284	-
255	172	Administrative expenses	1,014	939
4,497	4,390	Depreciation	17,649	18,868
4,752	4,846	Total operating expenses	18,947	19,807
9,805	7,482	Operating income	36,245	38,430
5,311	2,578	Interest income	12,872	20,122
(6,804)	(6,287)	Loan interest expenses	(25,855)	(27,251)
(3,655)	(1,196)	Capital lease interest expenses	(7,018)	(14,011)
(97)	3,030	Other financial items	(335)	(718)
(177)	(110)	Equity losses from unconsolidated subsidiaries	(515)	(422)
(17)	15	Foreign currency exchange (loss) gain	85	(380)
4,366	5,512	Net income	15,479	15,770
\$0.06	\$0.07	Basic and diluted earnings per share (\$)	\$0.20	\$0.21
		Income on bareboat basis (\$ per day per vessel)		
25,100	23,600	VLCC	24,200	25,300
7,800	-	Suezmax	7,900	7,800

Balance Sheet

CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i>	Dec 31, 2010	Sept 30, 2010	Dec 31, 2009
ASSETS			
Short term			
Cash and cash equivalents	2 685	4 080	1 302
Restricted cash	181 642	163 014	244 821
Other current assets	2 322	1 600	6 652
Long term			
Restricted cash	-	-	70 075
Vessels and equipment, net	260 751	264 413	169 185
Vessels under capital lease, net	55 302	56 031	172 479
Investment in onconsolidated companies	2 892	3 002	3 407
Other long term assets	-	-	31
Total assets	505 594	492 140	667 952
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term debt and current portion of long term debt	48 152	48 152	45 352
Current portion of obligations under capital lease	67 909	69 393	139 908
Other current liabilities	32 220	22 799	40 437
Long term			
Long term debt	288 137	288 137	313 443
Obligations under capital lease	-	-	69 740
Other long term liabilities	-	-	5 404
Stockholders' equity	69 176	63 659	53 668
Total liabilities and stockholders' equity	505 594	492 140	667 952

Cash Cost Breakeven

Present average cash cost breakeven rates for
2011 (\$/day)

VLCC (Fixed vessels)	19,200
VLCC (Spot vessels)	32,400

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		Trading Spot from Jan. 2011		Nb	
British Progress	BP	19.06.2000	02.02.2010	\$24 895	02.02.2010	02.02.2014	02.02.2010 and each anniversary thereafter		Market rate, but min \$20,000	02.02.2014	02.02.2020	Nb
British Purpose	BP	14.08.2000	14.07.2010	\$24 895	14.07.2010	14.07.2014	14.07.2010 and each anniversary thereafter		Market rate, but min \$20,000	14.07.2014	14.07.2020	Nb
British Pride	BP	16.11.2000	30.08.2011	\$24 895	30.08.2011	30.08.2015	30.08.2011 and each anniversary thereafter		Market rate, but min \$20,000	30.08.2015	30.08.2021	Nb

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 2010/11 to end charter			
Antares Voyager	Chevron	07.12.1998	07.12.2006	\$27 199	07.12.2008	07.12.2010			07.12.2010	Trading spot from Dec. 2010			Nb
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	Nb

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 terminated January 10, 2011.**

12 months notice has not been given for British Progress for the 1st, 2nd and 3rd term options 02.02.2010, 02.02.2011 & 02.02.2012.

12 months notice has not been given for British Purpose for the 1st and 2nd. options 14.07.2010 and 14.07.2011.

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.

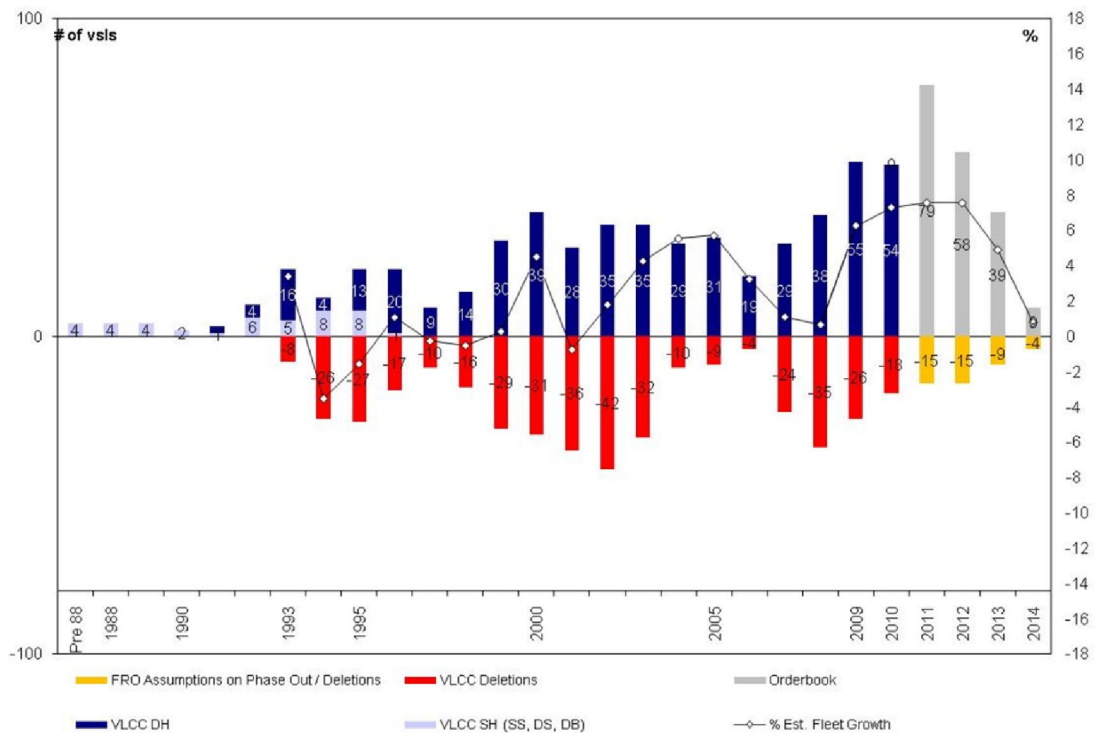
^{***)} 6 months binding-notice must be given before Option 2/3 dates ends. 6 months binding notice was given for Antares Voyager ->**charter terminated December 7, 2010.** Phoenix Voyager extended at least until March 2013.

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

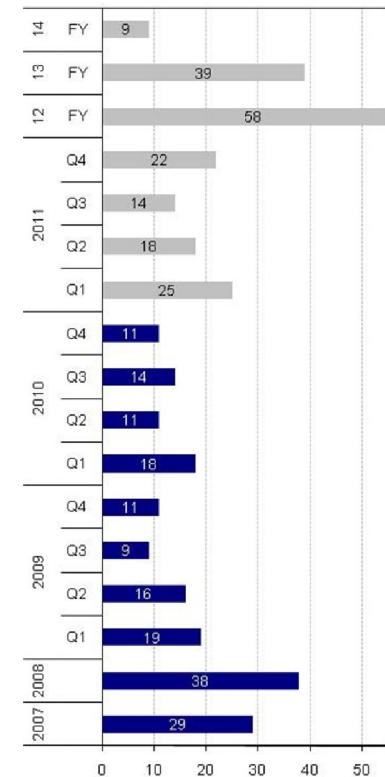
VLCC Fleet

Current Fleet	547	Orderbook	185
DH Fleet	504	Deliveries 2010	54
SH (DS, DB, SS) Fleet	43	Deliveries 2011	79

Current Fleet & Orderbook



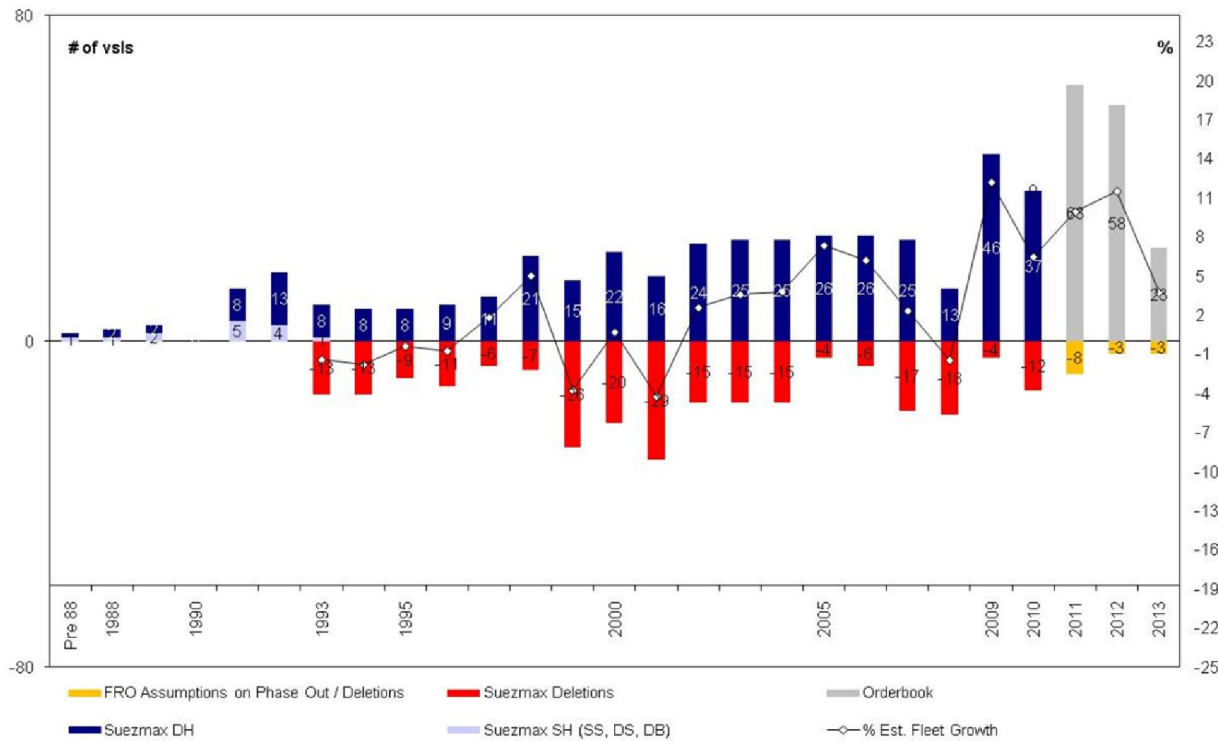
Delivery Schedules



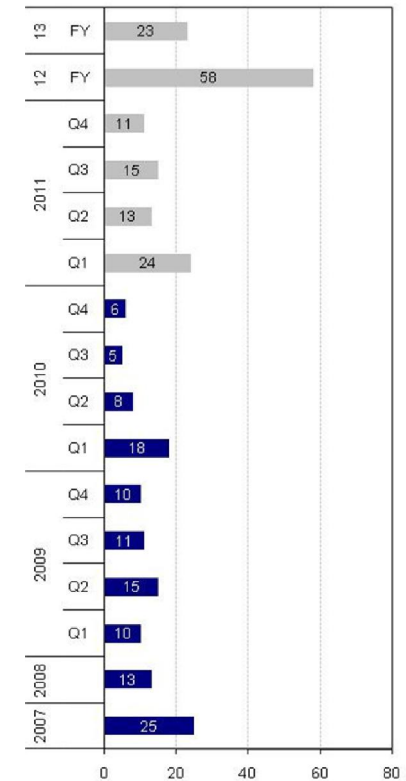
Suezmax Fleet

Current Fleet	409	Orderbook	146
DH Fleet	395	Deliveries 2010	37
SH (DS, DB, SS)	14	Deliveries 2011	63

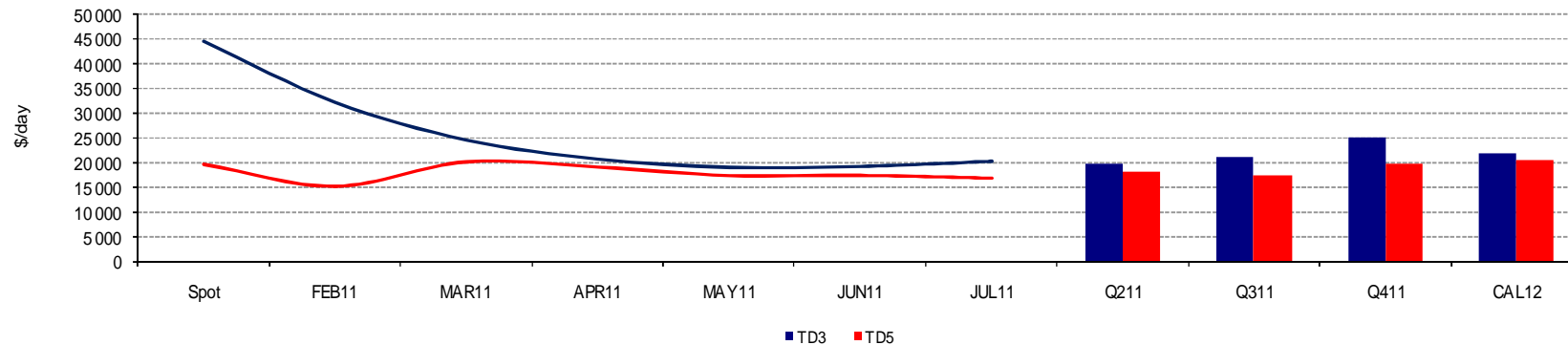
Current Fleet & Orderbook



Delivery Schedules



FORWARD MARKET



ITCL

- From February 2010, the VLCC British Progress fixed charter rate ended and started to trade at a market rate with a minimum rate of \$20,000 per day. The same was applicable British Purpose in July 2010. Antares Voyager and British Pioneer started to trade in the spot market from December 7, 2010 and January 10, 2011, respectively.
- 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 charter for Antares Voyager was terminated Dec. 7, 2010. Phoenix Voyager is fixed until March 2013, The charter can be extended until 2017.
- The Group has as per 31.12.2010 outstanding a term mortgage note of USD 107.0 million, with effective interest rate of 8.04% and maturity in 2019.

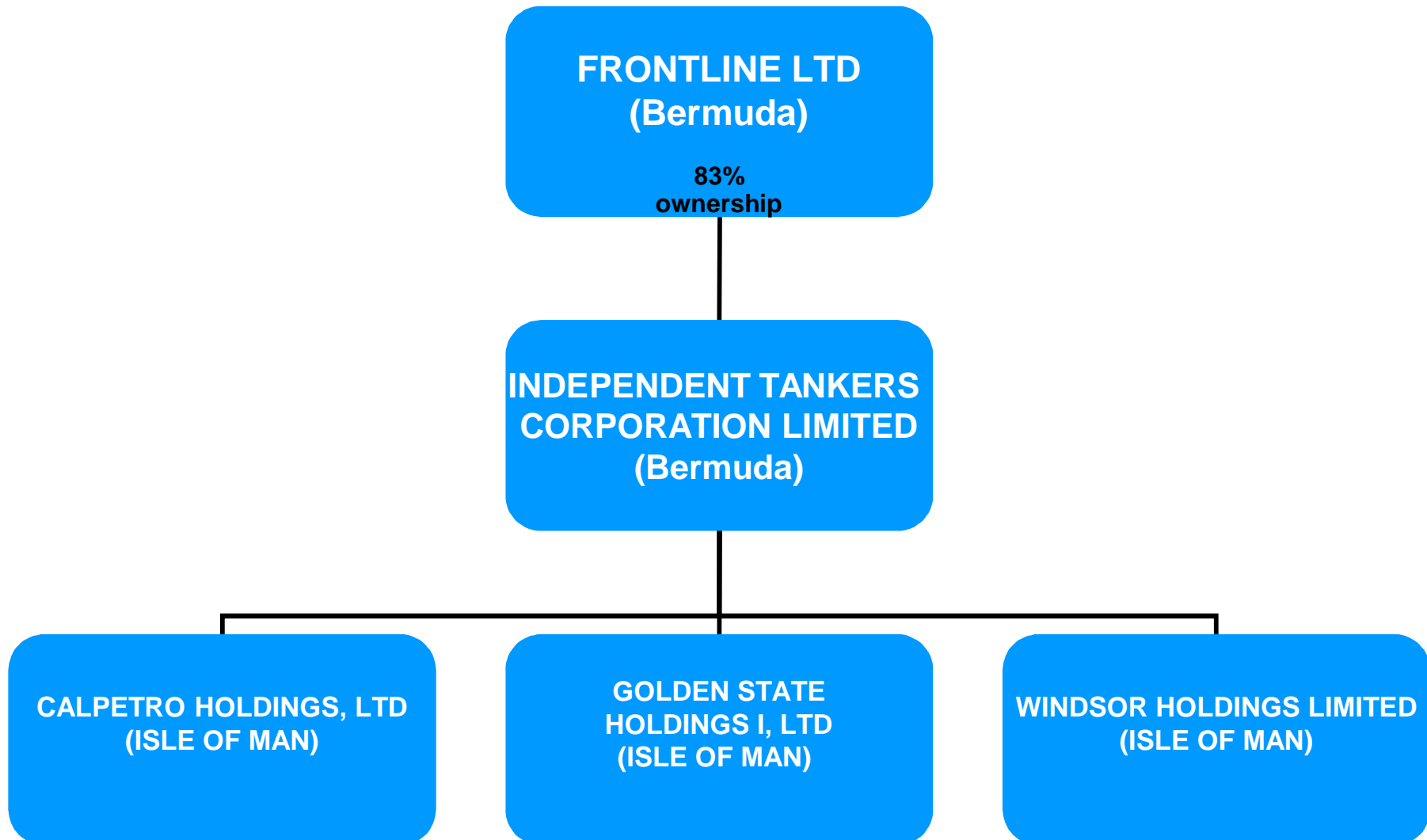
California Petroleum Holdings Group

- Owns three separate shipowning companies: CalPetro Tankers (Bahamas I) Ltd, CalPetro Tankers (Bahamas II) Ltd, and CalPetro Tankers (IOM) Ltd. Each company owns a Suezmax vessel. The vessels are fixed on a B/B charter to Chevron Texaco until 2015 and Chevron has purchase options for all vessels in 2015 (\$1 per vsl)
- The Group has as per 31.12.2010 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 owns or leases a VLCC. With exception of British Pioneer, each vessel is fixed on bareboat charters to BP until 2011 to 2013, with options for BP to terminate on certain dates. British Pioneer was terminated on January 10, 2011 and is presently trading spot.
- The Group has as per 31.12.2010 outstanding term mortgage note of USD 233.4 million with effective interest rate of 7.84% and maturity in 2021.

Corporate overview





Fleet

WINDSOR	Company name	Vessel	Type	Dwt	Built
	Buckingham Shipping Plc	British Pioneer	VLCC - DH	307 000	1999
	Caemarfom 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	Pheonix 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 -> 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>