

Independent Tankers Corporation Limited Q1 2011 Results



May 25, 2011

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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

- Independent Tankers reports net income Q1-2011: \$8.2 million and EPS of \$0.11, compared to \$5.5 million and EPS \$0.07 in Q4-2010.
- In February 2011, BP Shipping Limited extended the charter for the VLCC British Progress for one additional year.
- Independent Tankers recognizes a gain of \$8.8 million in the first quarter on the termination of a Golden State funding agreement.

Income Statement

CONDENSED CONSOLIDATED INCOME STATEMENTS	2010	2010	2010
<i>(in thousands of \$)</i>	Jan-Mar	Jan-Mar	Jan-Dec
			<i>(audited)</i>
Total operating revenues	17,219	16,141	55,097
Gain on sale of assets	-	-	95
Voyage expenses and commissions	6,072	-	-
Ship operating expenses	1,519	-	-
Administrative expenses	224	334	1,014
Depreciation	4,391	4,478	17,649
Total operating expenses	12,206	4,812	18,947
Operating income	5,013	11,329	36,245
Interest income	2,088	3,889	12,872
Loan interest expenses	(6,171)	(6,720)	(25,855)
Capital lease interest expenses	(1,184)	(2,277)	(7,018)
Fees paid on early redemption of bond debt			(2,731)
Gain on termination of funding agreement	8,800		3,598
Other financial items	(117)	(67)	(1,202)
Equity losses from unconsolidated subsidiaries	(231)	(173)	(515)
Foreign currency exchange (loss) gain	(23)	102	85
Net income	8,175	6,083	15,479
Basic and diluted earnings per share (\$)	\$0.11	\$0.08	\$0.20
Income on bareboat basis (\$ per day per vessel)			
VLCC - bareboat	22,600	24,800	24,200
VLCC - spot	15,000		

Balance Sheet

CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i>	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010 (audited)
ASSETS			
Short term			
Cash and cash equivalents	1 832	2 509	2 685
Restricted cash	179 950	161 043	181 642
Vessel held for sale	-	7 962	-
Other current assets	8 586	7 694	2 322
Long term			
Restricted cash	-	67 716	-
Vessels and equipment, net	257 090	215 062	260 751
Vessels under capital lease, net	54 573	114 162	55 302
Investment in onconsolidated companies	2 661	3 234	2 892
Other long term assets	-	30	-
Total assets	504 692	579 412	505 594
LIABILITIES AND STOCKHOLDERS' EQUITY			
Short term			
Short term debt and current portion of long term debt	50 108	58 434	48 152
Current portion of obligations under capital lease	70 380	66 184	67 909
Other current liabilities	28 095	27 964	32 220
Long term			
Long term debt	278 754	295 861	288 137
Obligations under capital lease	-	65 992	-
Other long term liabilities	-	5 215	-
Stockholders' equity	77 355	59 762	69 176
Total liabilities and stockholders' equity	504 692	579 412	505 594

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		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		Market rate, but min \$20,000		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		Market rate, but min \$20,000		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		Market rate, but min \$20,000		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 2010/11 to end charter			
Ulriken (ex Antares V.)	Chevron	07.12.1998	07.12.2006	\$27 199	07.12.2008	07.12.2010			07.12.2010	Trading spot from Dec. 2010			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 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. Vessel fixed at least until February 2, 2013.

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.

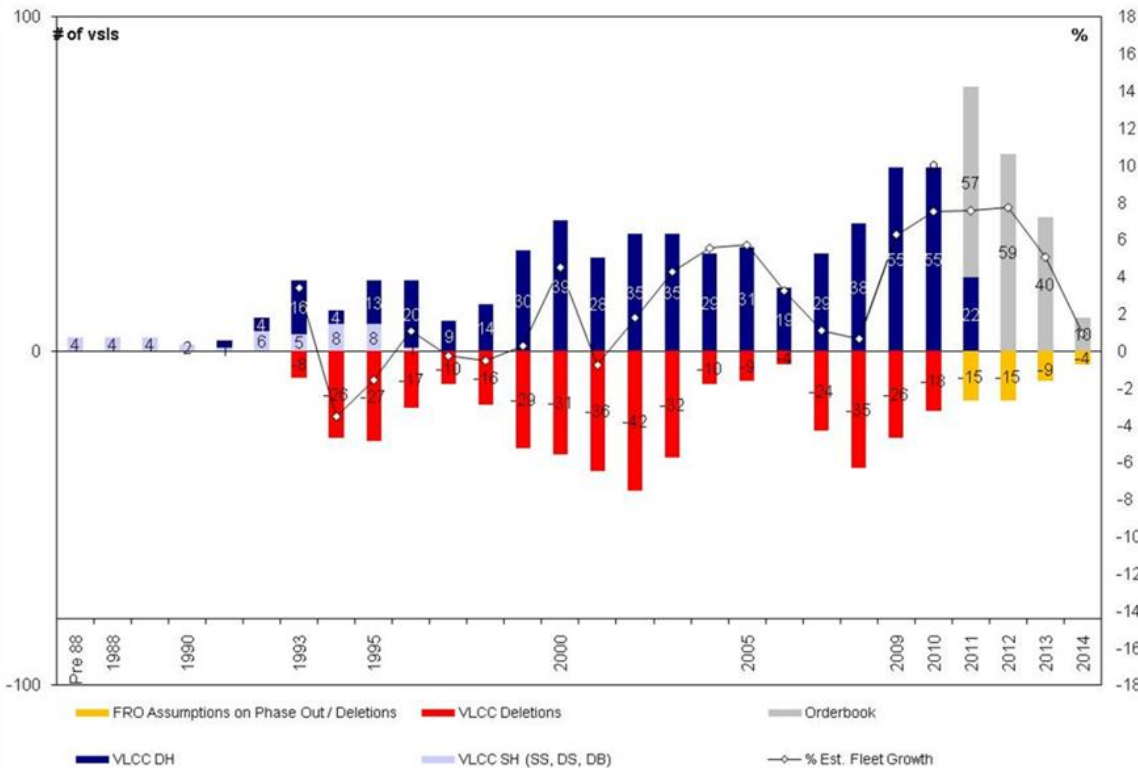
***) 6 months binding-notice must be given before Option 2 /3 dates ends. 6 months binding notice was given for Antares Voyager ->**charter terminated December 7, 2010.** Phoenix Voyager extended at least until March 2013

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

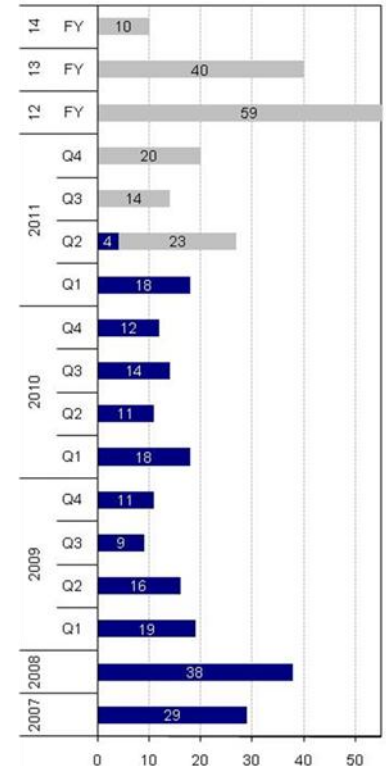
VLCC Fleet

Current Fleet	570	Orderbook	166
DH Fleet	527	Estimated deliveries 2011	79
SH (DS, DB, SS) Fleet	43	Estimated deliveries 2012	59

Current Fleet & Orderbook



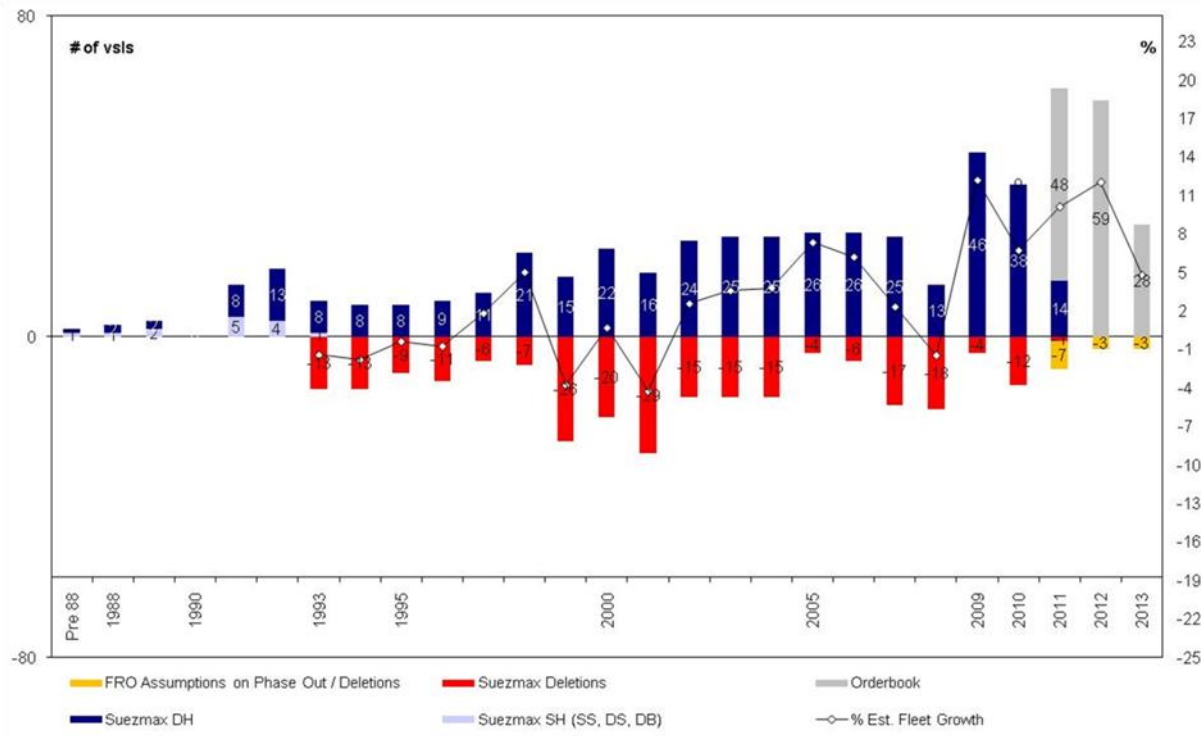
Delivery Schedules



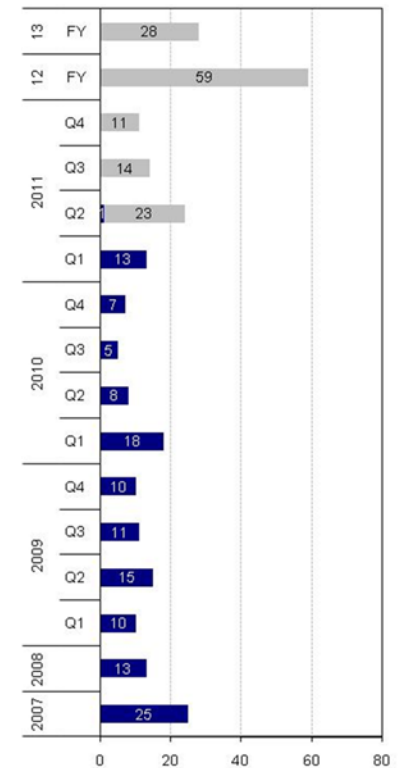
Suezmax Fleet

Current Fleet	423	Orderbook	137
DH Fleet	409	Estimated deliveries 2011	62
SH (DS, DB, SS)	14	Estimated deliveries 2012	59

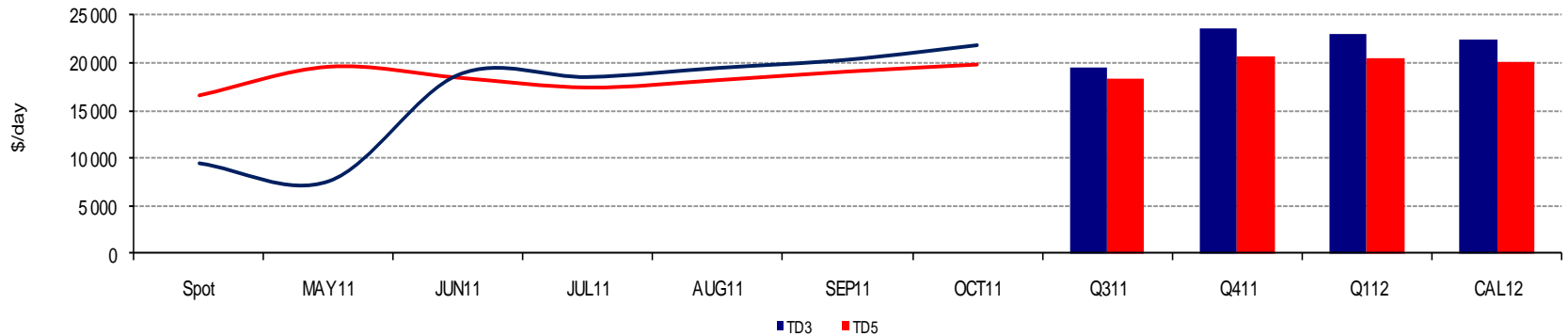
Current Fleet & Orderbook



Delivery Schedules



FORWARD MARKET



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- 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. Ulriken (ex Antares Voyager and Pioneer started to trade in the spot market from December 7, 2010 and January 10, 2011, respectively.
- British Pride is on bareboat charter to BP and 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 Ulriken (ex Antares Voyager) was terminated Dec. 7, 2010 and is presently trading spot. Phoenix Voyager is fixed until March 2013, The charter can be extended until 2017.
- The Group has as per 31.03.2011 outstanding a term mortgage note of USD 103.4 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 31.03.2011 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 Pioneer, each vessel is fixed on bareboat charters to BP until 2011 to 2013, with options for BP to terminate on certain dates. Pioneer was terminated on January 10, 2011 and is presently trading spot.
- The Group has as per 31.03.2011 outstanding term mortgage note of USD 228.8 million with effective interest rate of 7.84% and maturity in 2021.



Fleet

WINDSOR	Company name	Vessel	Type	Dwt	Built
	Buckingham Shipping Plc	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	Ulriken (ex 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 (Bahamas I) Ltd	Cygnus Voyager	Suezmax - DH	156 836	1993
	Calpetro Tankers (Bahamas II) Ltd	Altair Voyager	Suezmax - DH	135 829	1993
Calpetro Tankers (IOM) Ltd	Sirius Voyager	Suezmax - DH	156 380	1994	

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>