

Independent Tankers Corporation Limited Q4 2011 Results



February 17, 2012

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Highlights

- Independent Tankers reports net loss Q4-2011 of \$2.3 million and loss per share of \$0.03, which is the same result as in the preceding quarter.
- Time Charter Equivalent earnings (\$ per day per vessel)
 - VLCC Bareboat: 22,100
 - VLCC Spot Vessels: 12,900
- In February 2012, BP Shipping Limited extended the bareboat charter for British Progress until February 2014.

Income Statement

2010 Oct-Dec	2011 Oct-Dec	CONDENSED CONSOLIDATED INCOME STATEMENTS <i>(in thousands of \$)</i>	2011 Jan-Dec	2010 Jan-Dec
12,328	15,421	Total operating revenues	67,615	55,097
-	-	Gain on sale of assets	-	95
-	4,946	Voyage expenses and commissions	24,107	-
284	1,855	Ship operating expenses	6,032	284
172	164	Administrative expenses	852	1,014
4,390	4,390	Depreciation	17,562	17,649
4,846	11,355	Total operating expenses	48,553	18,947
7,482	4,066	Operating income	19,062	36,245
2,578	1	Interest income	3,797	12,872
(6,287)	(5,991)	Loan interest expense	(24,319)	(25,855)
(1,196)	-	Capital lease interest expense	(2,417)	(7,018)
-	-	Fees paid on early redemption of bond debt	-	(2,731)
3,598	-	Gain on termination of funding agreement	8,800	3,598
(568)	(162)	Other financial items	(791)	(1,202)
(110)	(189)	Equity losses from unconsolidated subsidiaries	(600)	(515)
15	(2)	Foreign currency exchange (loss) gain	(28)	85
5,512	(2,277)	Net income (loss)	3,504	15,479
\$0.07	\$(0.03)	Basic earnings (loss) per share (\$)	\$0.05	\$0.20

		Time charter equivalent (\$ per day per vessel)		
23,600	22,100	VLCC – bareboat	22,800	24,200
-	12,900	VLCC – spot market	13,900	-
-	-	Suezmax (excl. Front Voyager termination fee)	-	7,900

Balance Sheet

CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i>	Dec. 31 2011	Dec. 31 2010 <i>(audited)</i>
ASSETS		
Short term		
Cash and cash equivalents	519	2,685
Restricted cash	99,303	181,642
Other current assets	9,086	2,322
Long term		
Vessels, net	298,491	260,751
Vessels under capital lease, net	-	55,302
Investment in unconsolidated subsidiaries	2,292	2,892
Total assets	409,691	505,594
LIABILITIES AND EQUITY		
Short term		
Short term debt and current portion of long term debt	19,145	48,152
Current portion of obligations under capital lease	-	67,909
Other current liabilities	48,867	32,220
Long term		
Long term debt	268,992	288,137
Equity	72,687	69,176
Total liabilities and equity	409,691	505,594

Cash Cost Breakeven

Present average cash cost breakeven rates for 2012 (\$/day)

VLCC bareboat vessels	21,200
VLCC spot vessels	30,000

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	30.07.2011	\$24 895	30.07.2011	30.07.2015	30.07.2011 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, 3rd and 4th term. options 02.02.2010, 02.02.2011, 02.02.2012 & 02.02.2013. Vessel fixed at least until February 2, 2014.

12 months notice has not been given for British Purpose for the 1st and 2nd options 14.07.2010 and 14.07.2011. Vessel fixed at least until July 14, 2013.

12 months notice has not been given for British Pride for the first termination option 30.07.2011. Vessel fixed at least until July 30, 2013.

**) 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.

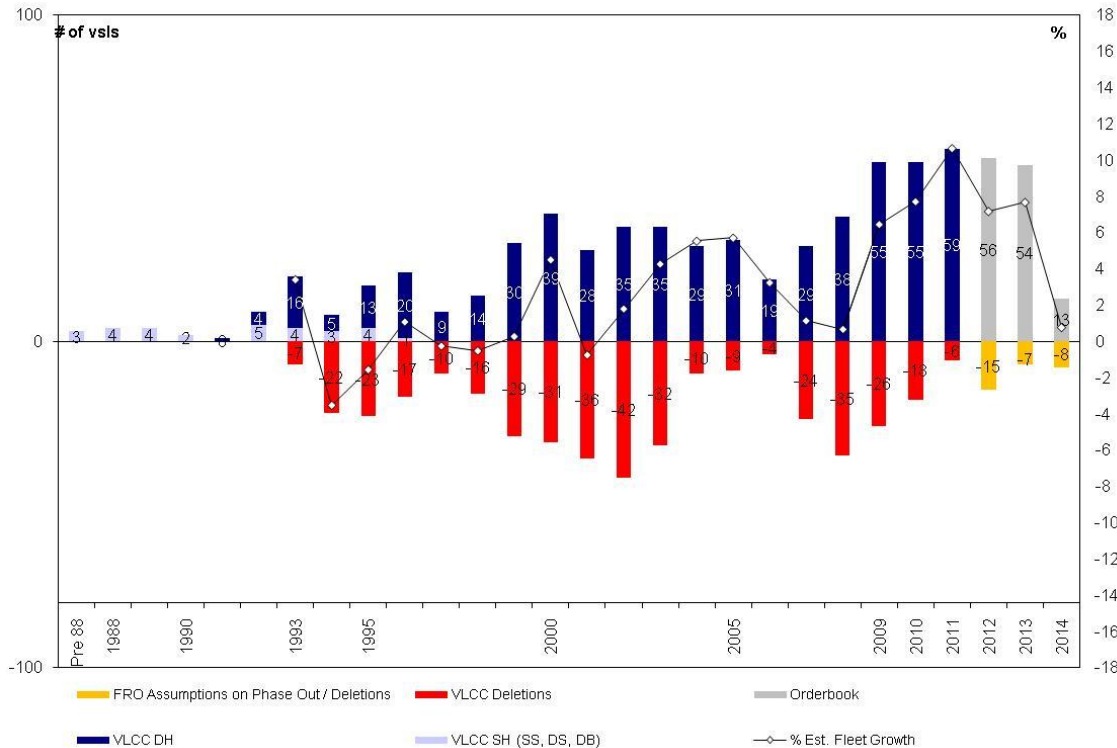
***) 6 months binding-notice must be given before Option 2 /3 dates ends. 6 months binding notice was given for Antares Voyager ->**charter terminated December 7, 2010.** Phoenix Voyager extended at least until March 2013.

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

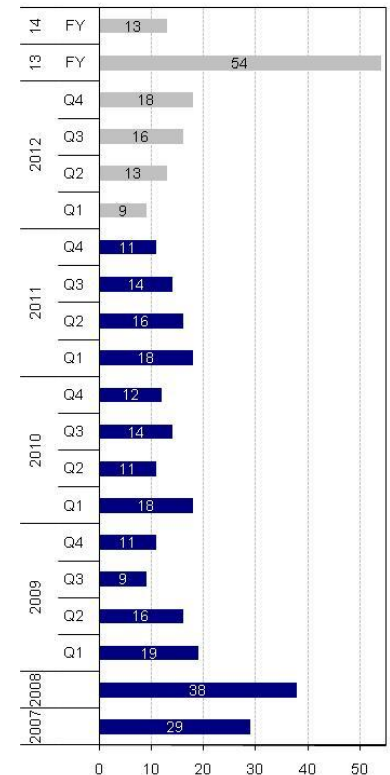
VLCC Fleet

Current Fleet	594	Orderbook	123
DH Fleet	564	Delivered 2011	59
SH (DS, DB, SS) Fleet	30	Estimated deliveries 2012	56

Current Fleet & Orderbook



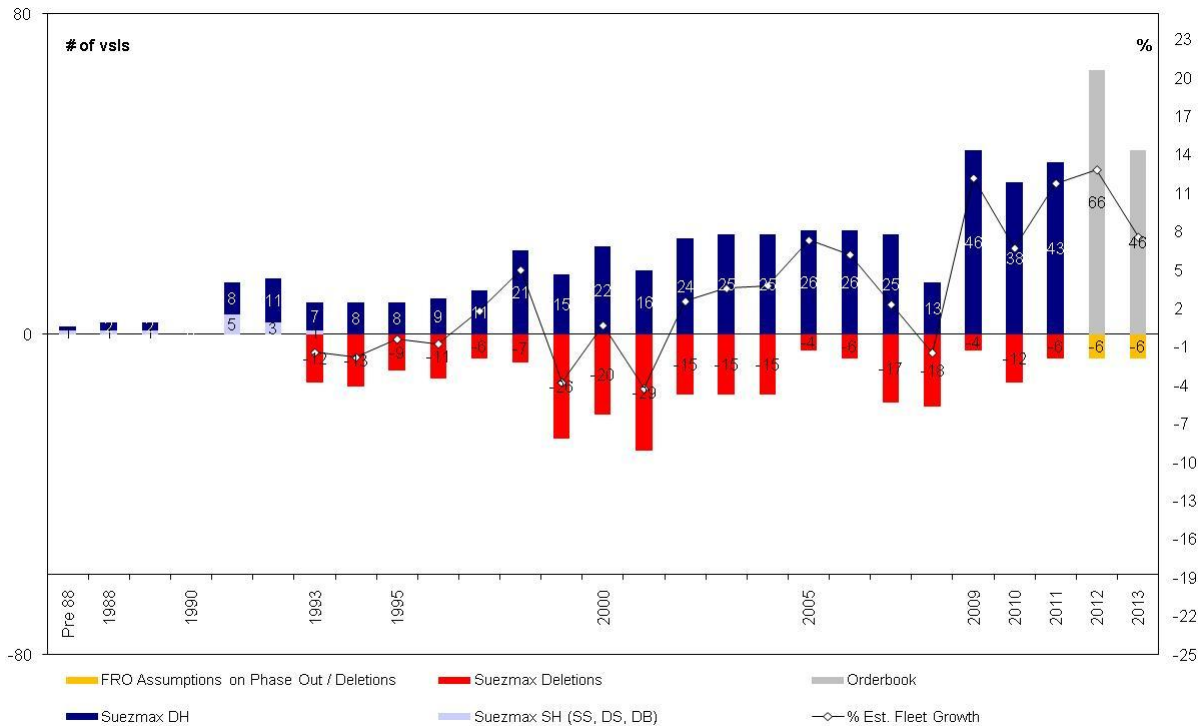
Delivery Schedules



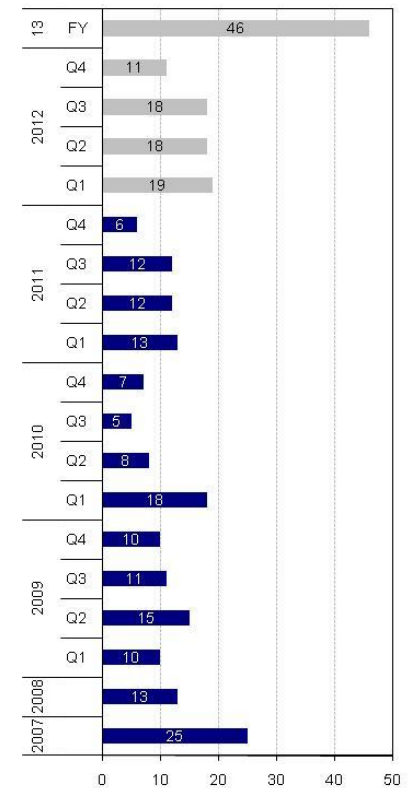
Suezmax Fleet

Current Fleet	446	Orderbook	114
DH Fleet	434	Delivered 2011	43
SH (DS, DB, SS)	12	Estimated deliveries 2012	66

Current Fleet & Orderbook

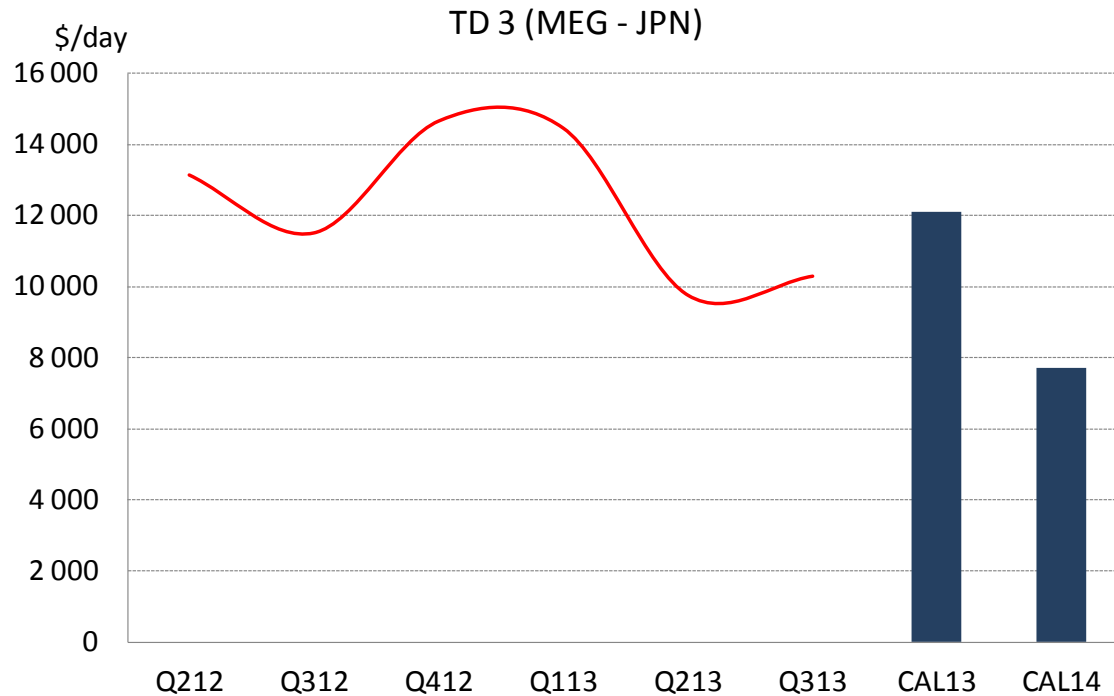


Delivery Schedules



Outlook

FORWARD MARKET



ITCL

- From February 2010, the VLCC British Progress fixed charter rate period ended and the vessel started to trade at a market rate with a minimum bareboat rate of \$20,000 per day. The same was applicable for British Purpose in July 2010 and British Pride in July 2011. Ulriken and Pioneer started to trade in the spot market from December 7, 2010 and January 10, 2011, respectively.

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 30.09.2011 outstanding a term mortgage note of USD 99.7 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 30.09.2011 outstanding a term mortgage note for USD 38.1 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. Three vessels are fixed on bareboat charters to BP, two until 2013 and one until 2014, 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 30.09.2011 outstanding term mortgage note of USD 224.1 million with effective interest rate of 7.84% and maturity in 2021.



Fleet

	Company name	Vessel	Type	Dwt	Built
WINDSOR	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	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	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

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