

Independent Tankers Corporation Limited Q4 2012 Results



February 25, 2013

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Highlights

- Independent Tankers announces a net loss of \$1.9 million, equivalent to a loss per share of \$0.02 in Q4-2012. This compares with a net loss of \$1.4 million, equivalent to a loss per share of \$0.02 in Q3-2012.
- Time Charter Equivalent earnings (\$ per day per vessel)
 - VLCC Bareboat: 22,100
 - VLCC Spot Vessels: 9,800
- In September 2012, Chevron gave six months binding notice of termination for the bareboat charter for the VLCC Phoenix Voyager. The charter will terminate in March 2013.
- In February 2013, BP Shipping Ltd. gave twelve months irrevocable notice of termination of the bareboat charter for the VLCC British Progress. The vessel will be redelivered from BP to ITCL in February 2014.

Income Statement

2011 Oct-Dec	2012 Oct-Dec	CONDENSED CONSOLIDATED INCOME STATEMENTS <i>(in thousands of \$)</i>	2012 Jan-Dec	2011 Jan-Dec
15,421	15,800	Total operating revenues	69,810	67,615
4,946	5,873	Voyage expenses and commissions	28,461	24,107
1,855	1,534	Ship operating expenses	6,420	6,032
164	135	Administrative expenses	656	852
4,390	4,390	Depreciation	17,562	17,562
11,355	11,932	Total operating expenses	53,099	48,553
4,066	3,868	Operating income	16,711	19,062
1	1	Interest income	4	3,797
(5,991)	(5,546)	Loan interest expense	(22,685)	(24,319)
-	-	Capital lease interest expense	-	(2,417)
-	-	Gain on termination of funding agreement	-	8,800
(162)	(5)	Other financial items	(35)	(791)
(189)	(180)	Equity losses from unconsolidated subsidiaries	(544)	(600)
(2)	-	Foreign currency exchange gain (loss)	2	(28)
(2,277)	(1,862)	Net (loss) income	(6,547)	3,504
\$(0.03)	\$(0.02)	Basic and diluted (loss) earnings per share (\$)	\$(0.09)	\$0.05
Time charter equivalent (\$ per day per vessel)				
22,100	22,100	VLCC – bareboat	22,100	22,800
12,900	9,800	VLCC – spot market	12,500	13,900

Balance Sheet

CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i>	Dec. 30 2012	Sep. 30 2012	Dec. 31 2011
ASSETS			
Short term			
Cash and cash equivalents	5,264	6,286	519
Restricted cash	86,280	74,163	99,303
Other current assets	8,416	10,896	9,086
Long term			
Vessels, net	280,929	285,319	298,491
Investment in unconsolidated subsidiaries	1,748	1,928	2,292
Total assets	382,637	378,592	409,691
LIABILITIES AND EQUITY			
Short term			
Short term debt and current portion of long term debt	20,700	20,700	19,145
Other current liabilities	47,505	41,598	48,867
Long term			
Long term debt	248,292	248,292	268,992
Equity	66,140	68,002	72,687
Total liabilities and equity	382,637	378,592	409,691

Cash Cost Breakeven

Present average cash cost breakeven rates for 2013 (\$/day)

VLCC bareboat vessels	21,500
VLCC spot vessels	30,500

Charter overview

WINDSOR

Dates are estimates only

Vessel	Charterer	FIXED PERIOD			MINIMUM RATE PERIOD (Market rate, but min. \$20,000/day)				MARKET RELATED PERIOD		Chr. Purch. Opt
		Start date	End date*)	BB Rate	4 years period		Termination Options	Charter expiry (if not extended)	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		02.02.2014		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		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		30.07.2014		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			15.03.2013	\$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 been given for British Progress and charter will be terminated February 2, 2014.

12 months notice has not been given for British Purpose for the 1st, 2nd and 3rd options 14.07.2010, 14.07.2011 and 14.07.2012. Vessel fixed until July 14, 2014.

12 months notice has not been given for British Pride for the 1st and 2nd termination options 30.07.2011 and 30.07.2012. Vessel fixed at least until July 30, 2014.

**) 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.**

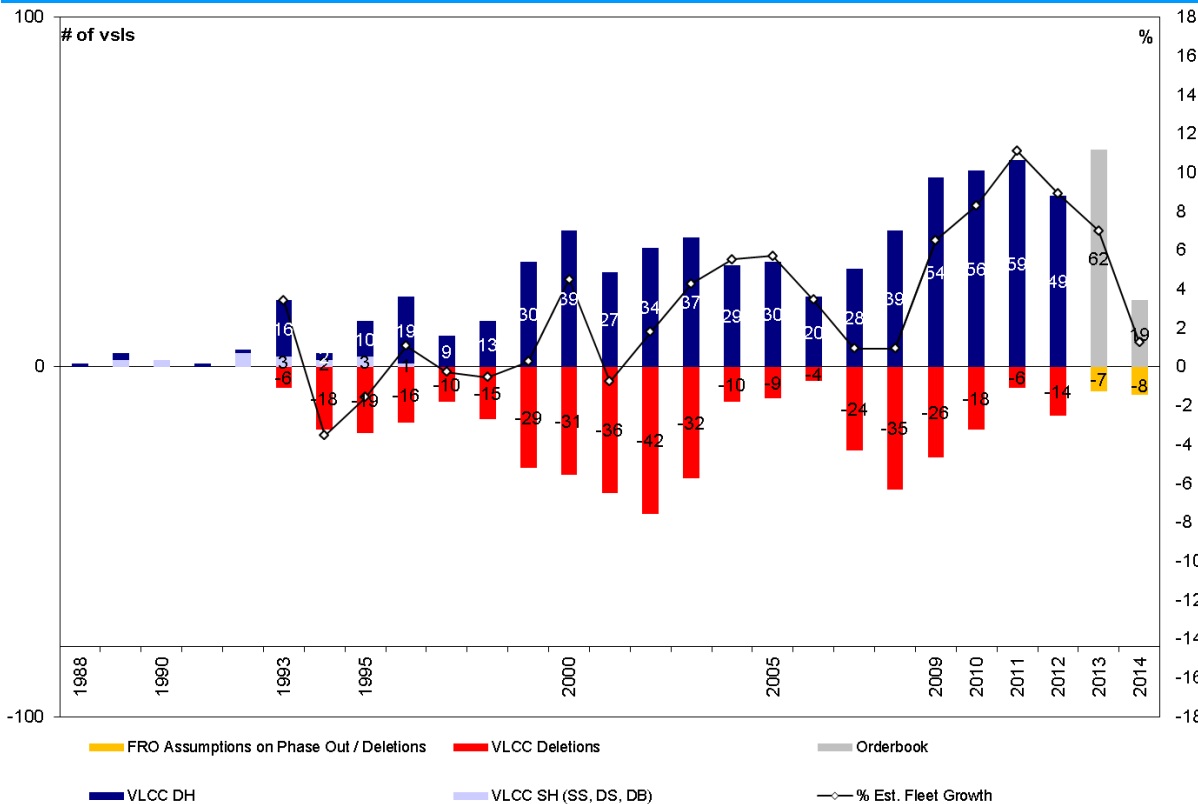
Phoenix Voyager charter terminates in March 2013.

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

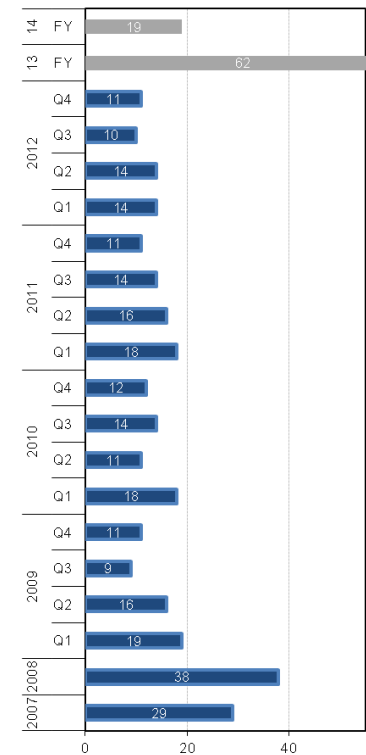
VLCC Fleet

Current Fleet	622	Orderbook	81
DH Fleet	605	Delivered 2012	49
SH (DS, DB, SS) Fleet	17	Estimated deliveries 2013	50

Current Fleet & Orderbook



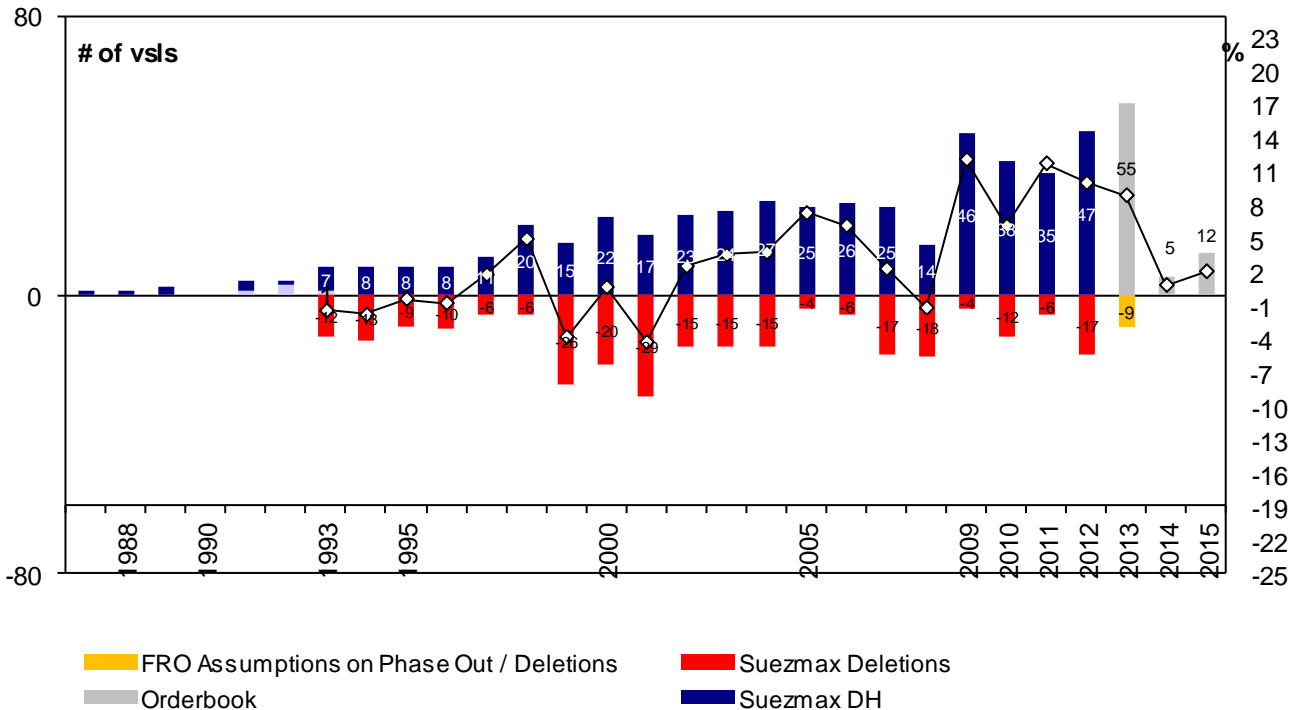
Delivery Schedules



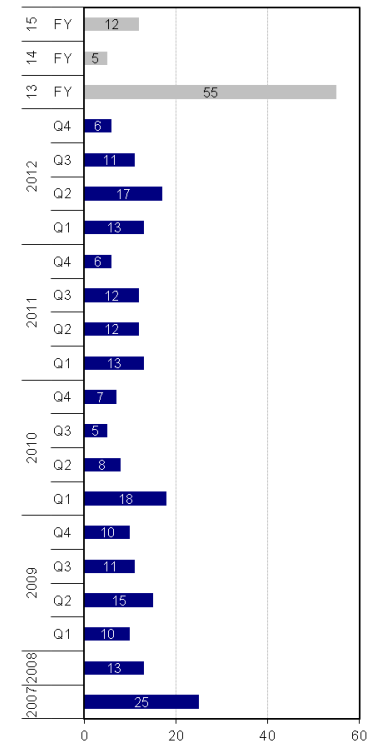
Suezmax Fleet

Current Fleet	468	Orderbook	72
DH Fleet	463	Delivered 2012	47
SH (DS, DB, SS)	5	Estimated deliveries 2013	37

Current Fleet & Orderbook

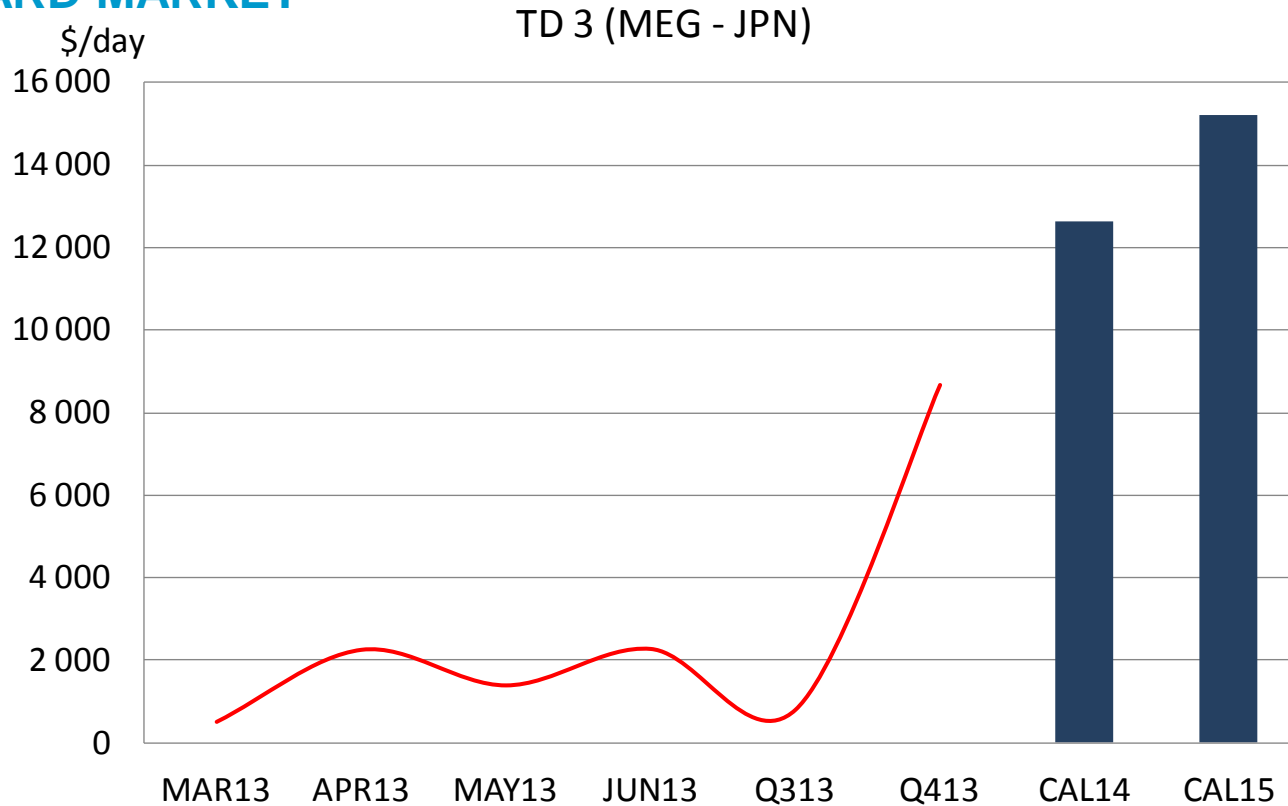


Delivery Schedules



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 31.12.2012 outstanding a term mortgage note of USD 91.8 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 until 2015 and Chevron has purchase options for all vessels in 2015 (\$1 per vsl)
- The Group has as per 31.12.2012 outstanding a term mortgage note for USD 28.6 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. Three vessels are fixed on bareboat charters to BP, one until February 2014 and one until July 2014, with options for BP to extend charters on certain dates. Pioneer was terminated on January 10, 2011 and is presently trading spot.
- The Group has as per 31.12.2012 outstanding term mortgage note of USD 210.7 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 RELATIONS-> SEC FILINGS