

Independent Tankers Corporation Limited Q2 2013 Results



September 3, 2013

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Highlights

- Independent Tankers announces a net loss of \$4.1 million, equivalent to a loss per share of \$0.06 in Q2-2013. This compares with a net loss of \$1.8 million, equivalent to a loss per share of \$0.02 in Q1-2013.
- Time Charter Equivalent earnings (\$ per day per vessel)
 - VLCC Bareboat: 20,000
 - VLCC Spot Vessels: 12,500
- In July 2013, BP Shipping Ltd. ("BP") did not exercise its right to terminate the lease for the VLCC British Purpose on July 14, 2013 and so the charter will continue until July 14, 2015, if not further extended. The vessel will trade on a market rate with a minimum of \$20,000 per day until July 14, 2014 at which time the charter is converted from the Minimum Rate Period to the Variable Rate Period in accordance with the terms of the charter agreement with BP.
- In July 2013, BP gave twelve months irrevocable notice of termination of the bareboat charter for the VLCC British Pride. The vessel will be redelivered to the Company on July 30, 2014.

Income Statement

| 2012 Apr-Jun | 2013 Apr-Jun | CONDENSED CONSOLIDATED INCOME STATEMENTS <i>(in thousands of \$)</i> | 2013 Jan-Jun | 2012 Jan-Jun | 2012 Jan-Dec |
|--|-----------------|--|-----------------|-----------------|-----------------|
| 18,426 | 17,462 | Total operating revenues | 32,499 | 36,572 | 69,810 |
| 6,419 | 8,621 | Voyage expenses and commissions | 13,409 | 15,327 | 28,461 |
| 2,056 | 2,196 | Ship operating expenses | 3,875 | 3,565 | 6,420 |
| 168 | 171 | Administrative expenses | 350 | 344 | 656 |
| 4,390 | 4,390 | Depreciation | 8,781 | 8,781 | 17,562 |
| 13,033 | 15,378 | Total operating expenses | 26,415 | 28,017 | 53,099 |
| 5,393 | 2,084 | Operating income | 6,084 | 8,555 | 16,711 |
| 1 | - | Interest income | 1 | 2 | 4 |
| (5,746) | (5,561) | Loan interest expense | (11,113) | (11,541) | (22,685) |
| - | (586) | Amortization of discount on debt issuance | (586) | - | - |
| (6) | (6) | Other financial items | (24) | (24) | (35) |
| (73) | (74) | Equity losses from unconsolidated subsidiaries | (285) | (283) | (544) |
| 1 | (1) | Foreign currency exchange (loss) gain | -1 | 2 | 2 |
| (430) | (4,144) | Net loss | (5,924) | (3,289) | (6,547) |
| \$(0.006) | \$(0.06) | Basic and diluted loss per share (\$) | \$(0.08) | \$(0.04) | \$(0.09) |
| Time charter equivalent (\$ per day per vessel) | | | | | |
| 22,100 | 20,000 | VLCC – bareboat | 21,000 | 22,100 | 22,100 |
| 23,200 | 12,500 | VLCC – spot market | 12,900 | 14,600 | 12,500 |

Balance Sheet

| CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i> | Jun. 30 2013 | Jun. 30 2012 | Dec. 31 2012 |
|---|-------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Short term | | | |
| Cash and cash equivalents | 4 195 | 2 907 | 5 264 |
| Restricted cash | 73 616 | 87 039 | 86 280 |
| Other current assets | 11 810 | 10 867 | 8 416 |
| Long term | | | |
| Vessels, net | 272 148 | 289 710 | 280 929 |
| Investment in unconsolidated subsidiaries | 1 461 | 2 009 | 1 748 |
| Total assets | 363 230 | 392 532 | 382 637 |
| LIABILITIES AND EQUITY | | | |
| Short term | | | |
| Short term debt and current portion of long term debt | 21 551 | 19 912 | 20 700 |
| Other current liabilities | 29 181 | 44 380 | 47 505 |
| Long term | | | |
| Long term debt | 252 282 | 258 842 | 248 292 |
| Equity | 60 216 | 69 398 | 66 140 |
| Total liabilities and equity | 363 230 | 392 532 | 382 637 |

Cash Cost Breakeven

Average cash cost breakeven rates for remaining part of
2013 (\$/day)

| | |
|-----------------------|--------|
| VLCC bareboat vessels | 21,300 |
| VLCC spot vessels | 33,900 |

Charter overview

WINDSOR

Dates are estimates only

| Vessel | Charterer | FIXED PERIOD | | | MINIMUM RATE PERIOD (Market rate, but min. \$20,000/day) Termination option every year | | | MARKET RELATED PERIOD | | | Chr. Purch. Opt |
|------------------|-----------|--------------|------------|----------|--|------------|--|-----------------------|-------------|--|-----------------|
| | | Start date | End date*) | BB Rate | 4 years period | | Min. rate period expiry (if not extended)* | 6 years period* | | Market rate period expiry (if not extended)* | |
| British Pioneer | BP | 02.12.1999 | 02.01.2009 | \$24 895 | 02.01.2009 | 02.01.2013 | Jan. 2011 | N/A | N/A | N/A | No |
| British Progress | BP | 19.06.2000 | 02.02.2010 | \$24 895 | 02.02.2010 | 02.02.2014 | 02.02.2014 | N/A | N/A | N/A | No |
| British Purpose | BP | 14.08.2000 | 14.07.2010 | \$24 895 | 14.07.2010 | 14.07.2014 | 14.07.2014 | 14.07.2014 | 14.07.2020* | 14.07.2015 | No |
| British Pride | BP | 16.11.2000 | 30.07.2011 | \$24 895 | 30.07.2011 | 30.07.2015 | 30.07.2014 | N/A | N/A | N/A | 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 |
| Ulysses (ex Phoenix V.) | Chevron | 15.03.1999 | 15.03.2007 | \$27 199 | 15.03.2009 | 15.03.2011 | 15.03.2013 | | | 15.03.2013 | Trading spot from Mar. 2013 | | | 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 must be given before the Fixed/Min. rate 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.

13 months notice has been given for British Purpose and charter will be terminated July 14, 2014.

12 months notice has not been given for British Pride for the 1st and 2nd termination options 30.07.2011, 30.07.2012 and 30.07.2013. Vessel fixed at least until July 30, 2015.

**) 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.

***) Antares Voyager -> **charter terminated December 7, 2010.**

Phoenix Voyager -> **charter terminated in March 15, 2013.**

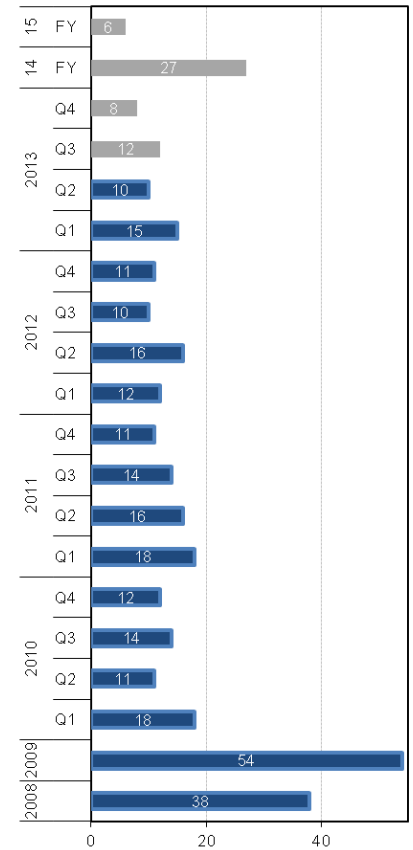
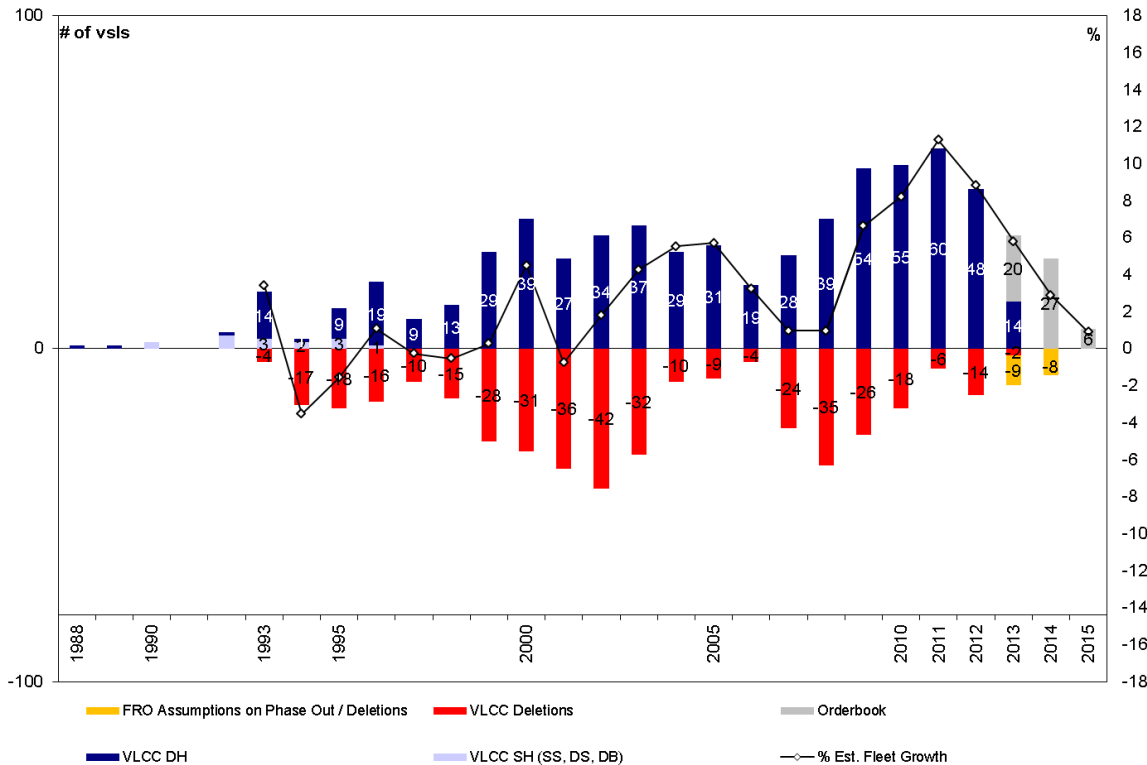
****) All the three vessels are now fixed on bareboat charter until April 1, 2015.

VLCC Fleet

| | | | |
|------------------------------|------------|----------------------------------|-----------|
| Current Fleet | 639 | Orderbook | 57 |
| DH Fleet | 624 | Delivered 2013 | 25 |
| SH (DS, DB, SS) Fleet | 15 | Estimated deliveries 2013 | 16 |

Delivery Schedule

Current Fleet & Orderbook

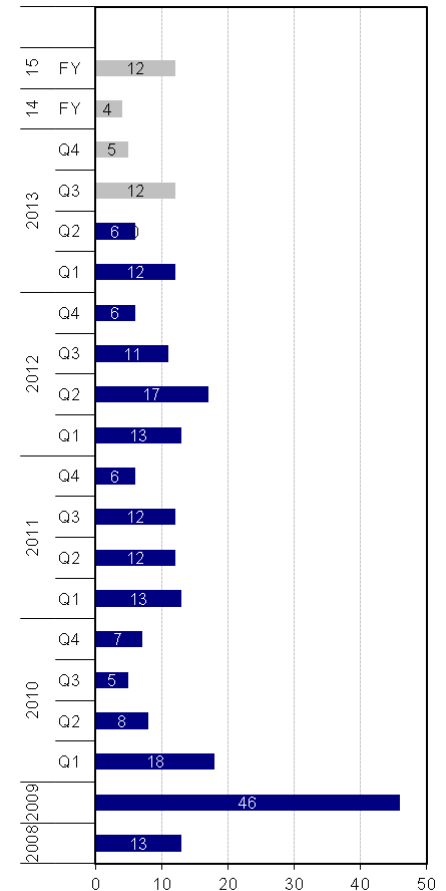
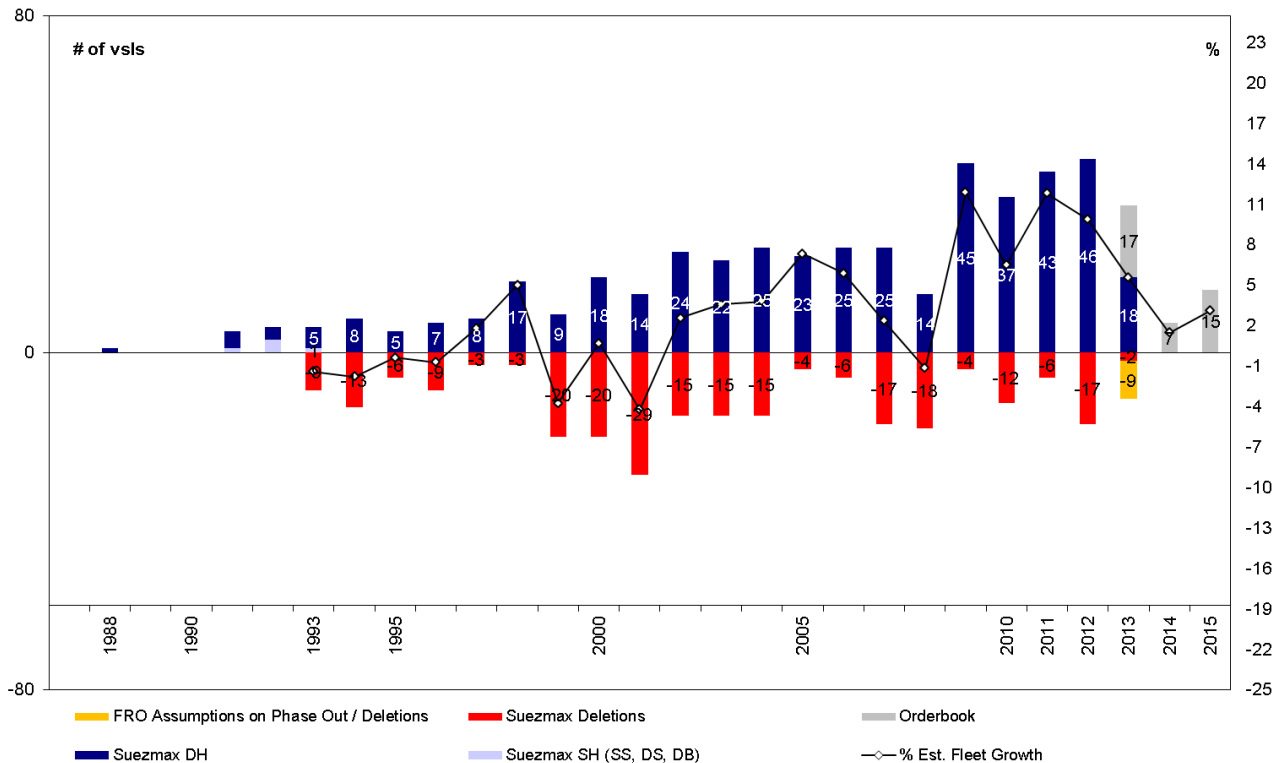


Suezmax Fleet

| | | | |
|------------------------|------------|----------------------------------|-----------|
| Current Fleet | 448 | Orderbook | 39 |
| DH Fleet | 443 | Delivered 2013 | 18 |
| SH (DS, DB, SS) | 5 | Estimated deliveries 2013 | 14 |

Delivery Schedules

Current Fleet & Orderbook



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 which were fixed on bareboat charters to Chevron 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 the charter for Ulysses (ex Phoenix Voyager) was terminated March 15, 2013. Both vessels are presently trading spot.
- The Group has as per 30.06.2013 outstanding a term mortgage note of USD 87.6 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 30.06.2013 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 two 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 30.06.2013 outstanding term mortgage note of USD 203.6 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