# TSAKOS ENERGY NAVIGATION LIMITED
# (TEN)

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Press Release
**May 24, 2013**

## TSAKOS ENERGY NAVIGATION REPORTS PROFITS FOR THE FIRST QUARTER OF 2013 AND DIVIDEND DECLARATION

***Tenfold increase in operating income to $9.7 million - Net income of $1.0 million***
***30.0% increase in EBITDA to $34.1 million from Q1 2012***
***7.4% reduction in daily operating expenses***
***TEN celebrates 20 years in the capital markets***

### FIRST QUARTER AND RECENT HIGHLIGHTS

- Fleet consists of 28 product tankers, 19 crude carriers and two LNG vessels
- $9.7 million in operating income against $1.0 million in first quarter 2012
- Net income of $1.0 million against a loss of $8.8 million in first quarter 2012
- 44 out of 47 vessels with positive EBITDA
- EBITDA totals $34.1 million, a 30% increase from first quarter 2012
- Strong liquidity maintained at $139 million at end of quarter
- $50.0 million preferred stock offering in May 2013 adds to liquidity
- New charters for nine of our product tankers since January 1, 2013 with future minimum gross revenues of $117 million over their respective fixtures
- Total minimum contracted coverage exceeds $1 billion with average duration 3.2 years
- Time charter equivalent at $18,176 per day versus $17,129 in first quarter 2012
- Daily operating expenses at $7,692 per day versus $8,308 in first quarter 2012
- Fleet utilization of 98%
- Quarterly dividend of $0.05 per share, declared for payment on September 12, 2013
- Delivery of first DP2 shuttle tankers, *Rio 2016* and *Brasil 2014*
- One 174,000 $m^3$ LNG carrier under construction with option for a second one
- Company celebrates 20 years in the public markets

**Athens, Greece--May 24, 2013**--Tsakos Energy Navigation Limited (TEN) (NYSE: TNP) (the "Company") today reported results (unaudited) for the first quarter ended March 31, 2013.

The first quarter of 2013 ended with net income of $1.0 million and represents a considerable turnaround and improvement over the 2012 first quarter for which we reported a net loss of $8.8 million. The results are mainly due to increases in product carrier rates, and our ability to capitalize on our significant presence in this sector and to the impact of the LNG carrier *Neo*

*Energy*. Significant savings in voyage expenses, operating costs, depreciation and interest, as detailed below, also provided important contributions.

Revenues, net of commissions and voyage expenses amounted to $69.4 million in the first quarter of 2013, a 4.8% improvement over the first quarter of 2012, despite the reduction of the fleet by two vessels, the VLCCs *La Prudencia* and *La Madrina*, which were sold at the end of last year. TEN operated an average of 46.2 vessels in the first quarter of 2013 following the sale of the VLCCs. The fleet utilization was 98%, which represents a very high level of employment irrespective of market conditions.

The average daily time charter equivalent (TCE) rate (voyage revenue less voyage expenses) was $18,176, a 6% improvement over the fourth quarter of 2012 ($17,197) and over the previous first quarter ($17,129). Apart from better rates achieved by our product carriers that reflected market sentiment for that particular sector, up 25.0% from the first quarter of 2012, vessels that operated on spot charters also enjoyed some respite.

Helped by our products and LNG exposure, EBITDA amounted to $34.1 million in the first quarter of 2013, nearly 30% higher than in the previous year first quarter. All the vessels generated positive EBITDA in the first quarter of 2013 with the exception of a suezmax which underwent a dry-docking and two other crude carriers which were employed on spot voyages.

Total operating expenses amounted to $31.3 million in the first quarter of 2013 compared to $35.5 million in the first quarter of 2012. The sale of the two VLCCs in the fourth quarter contributed to the reduction, together with other savings in running costs which lowered the daily operating costs per vessel from $8,308 to $7,692, a 7.4% reduction. In addition, there was only one dry-docking in the first quarter of 2013, compared to four in the previous year's first quarter which had higher repair and maintenance costs.

Operating income achieved was $9.7 million compared to $2.9 million in the fourth quarter of 2012, excluding the fourth quarter impairment loss, and $1.0 million in the first quarter of 2012, close to a ten-fold increase over a period of 12 months.

Interest and finance costs were $9.6 million, 6.5% down from the 2012 first quarter. The significant savings in interest rate swap charges were partly offset by increases in loan margins. Positive valuation movements on bunker and interest rate swaps were smaller than the first quarter of 2012.

Total cash and liquid investments amounted to $139 million at the end of the first quarter 2013, which has been supplemented, in May, by a preferred stock offering described in the Subsequent Events section. Total indebtedness at March 31, 2013 was $78 million lower compared to March 31, 2012 at $1,437 million, even after taking account of new debt of $46 million in relation to the delivery of the first of the two suezmax DP2 shuttle tankers, *Rio 2016*. A similar amount was received in April of this year relating to the delivery of the second shuttle tanker, *Brasil 2014*.

## Quarterly Dividend

The Company's Board of Directors declared a quarterly dividend of $0.05 per share of common stock outstanding to be paid on September 12, 2013 to shareholders of record as of September 9, 2013. Inclusive of this distribution, TEN will have distributed in total $9.675 per share in dividends to its shareholders since the Company was listed on the NYSE in March of 2002. The listing price was $7.50/share taking into account the 2-1 share split of November 14, 2007.

**Subsequent Events**

On May 10, 2013 TEN successfully raised gross proceeds of $50 million from the sale of two million 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares under its effective shelf registration statement at $25.00 per share. TEN intends to use the net proceeds from the offering for general corporate purposes, which may include making vessel acquisitions or other related investments.

On May 18, shuttle tanker *Rio 2016* arrived in Brazil and commenced its 15-year charter which is expected to generate approximately $255.0 million in gross revenues. Second shuttle tanker *Brasil 2014* is en route to Brazil for delivery to charterers and commencement of similar, in terms of duration and rate, employment.

**Strategy & Outlook**

With the improvements in product tanker rates continuing and the crude sector demonstrating signs of recovery our fleet this quarter, and primarily assisted by our large and modern product tankers exposure, generated a substantial increase in profits compared to last year's quarter. This improvement was primarily driven by a 6% increase in the average time charter rate per vessel and a significant drop in the fleet's overall expenses. In particular, daily operating expenses, on a per ship basis, decreased by 7.4% from last year's first quarter while the fleet's total voyage expenses were 24.1% lower than in the 2012 first quarter.

Once again the fleet achieved a high utilization rate of 98% versus 97% in the first quarter of 2012. True to our policy of having a good portion of the fleet's in flexible charters, approximately two thirds of available days this first quarter were capable of capturing such upticks and achieved rates that are reflected in our results.

To further improve the fleet's cash generating capabilities, management will strive to place more vessels under short to medium term contracts, ideally with profit sharing provisions, once such market improvements show signs of stability, something that slowly seems to be happening. An example of such activity has been the fixture of nine of our product tankers that have been concluded so far this year, with minimum gross revenues of $117.0 million over an average period of 2.5 years.

Cash generation and preservation has and will continue to be our guiding principle in taking the Company forward. As at the end of the first quarter 2013 our cash balances were at a healthy $139 million and have increased substantially by our recent placement of $50.0 million Cumulative Redeemable Perpetual Preferred Shares.

In terms of growth and beyond the Company's customary and dominant presence in product tankers and crude carriers, management will remain focused on LNG and shuttle tankers for accretive expansion.

"TEN's return to profitability, is a result of our modern fleet composition, our flexible long-term employment strategy, our cost containment policy and our ability to maintain and build relationships with high quality charterers around the world," stated Mr. Nikolas P. Tsakos, President & Chief Executive Officer of TEN. "We do believe that both product and crude markets have turned the corner and our fleet, in both of these sectors is well positioned to take advantage of current and expected market improvements. Also, our exposure in the high-end LNG and shuttle tanker markets provides further growth to our bottom line," Mr. Tsakos concluded.

**Conference Call**

As previously announced, today, Friday, May 24, 2013 at 10:00 a.m. Eastern Time, TEN will host a conference call to review first quarter 2013 results as well as management's outlook for the business. The call, which will be hosted by TEN's senior management, may contain information beyond what is included in this press release.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1 866 819 7111 (US Toll Free Dial In), 0800 953 0329 (UK Toll Free Dial In) or +44 (0)1452 542 301 (Standard International Dial In). **Please quote "Tsakos" to the operator.**

A telephonic replay of the conference call will be available until Friday, May 31, 2013 by dialing 1 866 247 4222 (US Toll Free Dial In), 0800 953 1533 (UK Toll Free Dial In) or +44 (0)1452 550 000 (Standard International Dial In). Access Code: 90295809#

**Simultaneous Slides and Audio Webcast:**

There will also be a simultaneous live, and then archived, slides webcast of the conference call, available through TEN's website (www.tenn.gr). The slides webcast will also provide details related to fleet composition and deployment and other related company information. This presentation will be available on the Company's corporate website reception page at www.tenn.gr. Participants for the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

## ABOUT TSAKOS ENERGY NAVIGATION

To date, TEN's fleet, including an LNG carrier under construction, consists of 49 double-hull vessels, a mix of product tankers, crude tankers and LNG carriers, totaling 4.9 million dwt. Of these, 19 are crude tankers ranging from VLCCs to aframaxes, 28 are product carriers ranging from shuttle suezmaxes to handysize and two are LNG carriers.

## ABOUT FORWARD-LOOKING STATEMENTS

Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. TEN undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

## TSAKOS ENERGY NAVIGATION LIMITED AND SUBSIDIARIES

Selected Consolidated Financial and Other Data

(In Thousands of U.S. Dollars, except share and per share data)

| STATEMENT OF OPERATIONS DATA | Three months ended March 31 2013 | Three months ended March 31 2012 |
|---|---|---|
| **Voyage revenues** | $ 97,693 | $ 102,230 |
| Commissions | 3,764 | 3,669 |
| Voyage expenses | 24,526 | 32,312 |
| Vessel operating expenses | 31,325 | 35,541 |
| Depreciation | 22,271 | 23,684 |
| Amortization of deferred dry-docking costs | 1,190 | 1,057 |
| Management fees | 3,940 | 3,991 |
| General and administrative expenses | 1,137 | 832 |
| Stock compensation expense | - | 153 |
| Foreign currency (gains)/losses | (157) | (50) |
| **Total expenses** | 87,996 | 101,189 |
| **Operating income** | 9,697 | 1,041 |
| Interest and finance costs, net | (9,625) | (10,298) |
| Interest income | 85 | 483 |
| Other, net | 1,002 | 18 |
| **Total other expenses, net** | (8,538) | (9,797) |
| **Net income/(loss)** | 1,159 | (8,756) |
| Less: Net income attributable to the noncontrolling interest | (139) | (49) |
| **Net income/(loss) attributable to Tsakos Energy Navigation Lim** | $ 1,020 | $ (8,805) |
| Earnings/(loss) per share, basic | $ 0.02 | $ (0.19) |
| Earnings/(loss) per share, diluted | $ 0.02 | $ (0.19) |
| Weighted average number of shares | | |
| Basic | 56,443,237 | 46,208,737 |
| Diluted | 56,443,237 | 46,208,737 |

| BALANCE SHEET DATA | March 31 2013 | December 31 2012 |
|---|---|---|
| Cash, restricted cash and marketable securities | 138,065 | 162,153 |
| Other assets | 84,733 | 80,889 |
| Vessels, net | 2,166,949 | 2,088,358 |
| Advances for vessels under construction | 76,828 | 119,484 |
| **Total assets** | $ 2,466,575 | $ 2,450,884 |
| Debt | 1,436,733 | 1,442,427 |
| Other liabilities | 100,195 | 81,617 |
| Stockholders' equity | 929,647 | 926,840 |
| **Total liabilities and stockholders' equity** | $ 2,466,575 | $ 2,450,884 |

| OTHER FINANCIAL DATA | | Three months ended March 31 2013 | Three months ended March 31 2012 |
|---|---|---|---|
| Net cash from operating activities | | $ 39,810 | $ 18,277 |
| Net cash used in investing activities | | $ (58,178) | $ (926) |
| Net cash from/(used in) financing activities | | $ 6,553 | $ (7,436) |
| TCE per ship per day | | $ 18,176 | $ 17,129 |
| Operating expenses per ship per day | | $ 7,692 | $ 8,308 |
| Vessel overhead costs per ship per day | | $ 1,220 | $ 1,139 |
| | | 8,912 | 9,447 |
| **FLEET DATA** | | | |
| Average number of vessels during period | | 46.2 | 48.0 |
| Number of vessels at end of period | | 47.0 | 48.0 |
| Average age of fleet at end of period | Years | 6.5 | 7.3 |
| Dwt at end of period (in thousands) | | 4,631 | 5,073 |
| Time charter employment - fixed rate | Days | 1,475 | 1,142 |
| Time charter employment - variable rate | Days | 1,136 | 1,341 |
| Period employment (pool and coa) at market rates | Days | 184 | 544 |
| Spot voyage employment at market rates | Days | 1,280 | 1,108 |
| Total operating days | | 4,075 | 4,135 |
| Total available days | | 4,161 | 4,368 |
| Utilization | | *97.9%* | *94.7%* |
| Utilization (excluding *La Madrina* and *La Prudencia)* | | *N/A* | *96.7%* |

*TCE represents voyage revenue less voyage expenses. Commission is not deducted.*
*Operating expenses per ship per day exclude the vessel bare-boat chartered out.*
*Vessel overhead costs include Management fees, General & Administrative expenses and Stock compensation expense.*
*EBITDA (earnings before interest, taxes, net gain on sale of vessels, depreciation and amortization) is a non-GAAP metric used within the financial community for evaluating and comparing the performance of companies.*
*The Company does not incur corporation tax.*

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