

# TEN Ltd

## Tsakos Energy Navigation



May 16, 2014

Q1 2014 Earnings Conference Call



This presentation may contain forward-looking statements that are not based on historical fact, including without limitation, statements containing the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements. Such factors include those risks described from time to time in Tsakos Energy Navigation Ltd’s (TEN) filings with the Securities and Exchange Commission, including, without limitation, the risks described in TEN’s most recent Annual Report on Form 20-F on file with the Securities and Exchange Commission. These factors should be considered carefully and you are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date of this presentation, and TEN undertakes no duty to update this information.



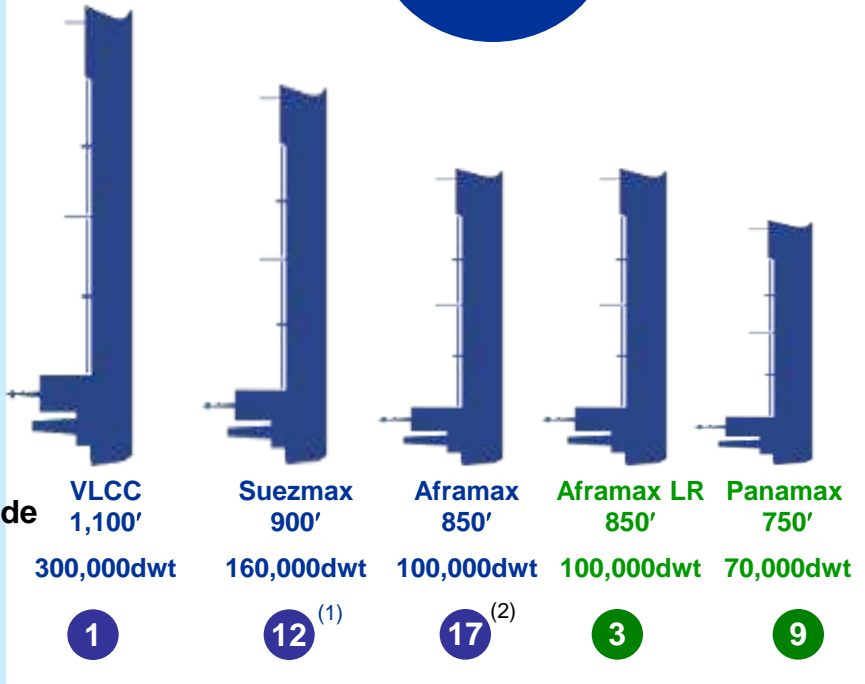
# Fleet Composition (60 vessels, pro forma)



**One World Trade**  
1,776'

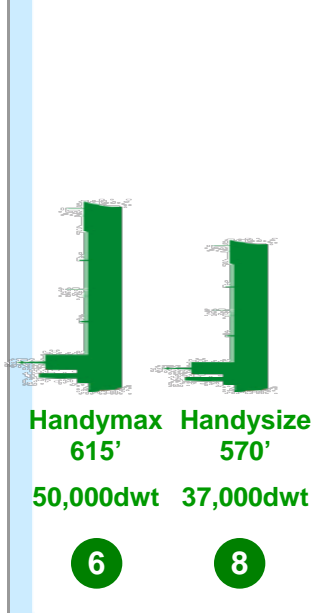
## CRUDE TRADING

42  
5.1m dwt



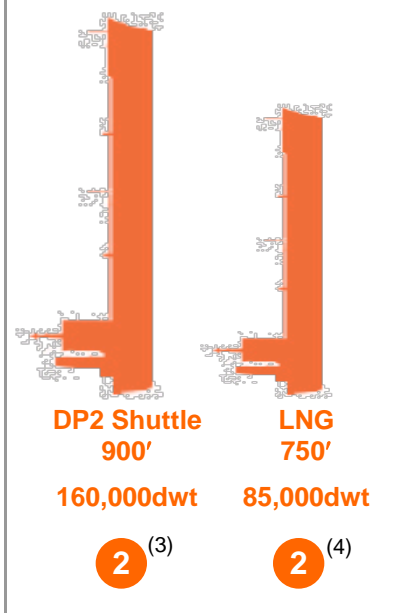
## PRODUCTS

14  
0.6m dwt



## DP2/LNG

4  
0.5m dwt



Sophisticated, multi-purpose fleet addresses all customer needs

(1) Includes two recently acquired suezmaxes (2012/2013-built) to be delivered to the Company in Q2/Q3 2014  
 (2) Includes nine vessels under construction for Statoil business  
 (3) DP2 shuttles built with coated tanks but currently operate in crude trades  
 (4) Includes LNG carrier (Maria Energy) under construction

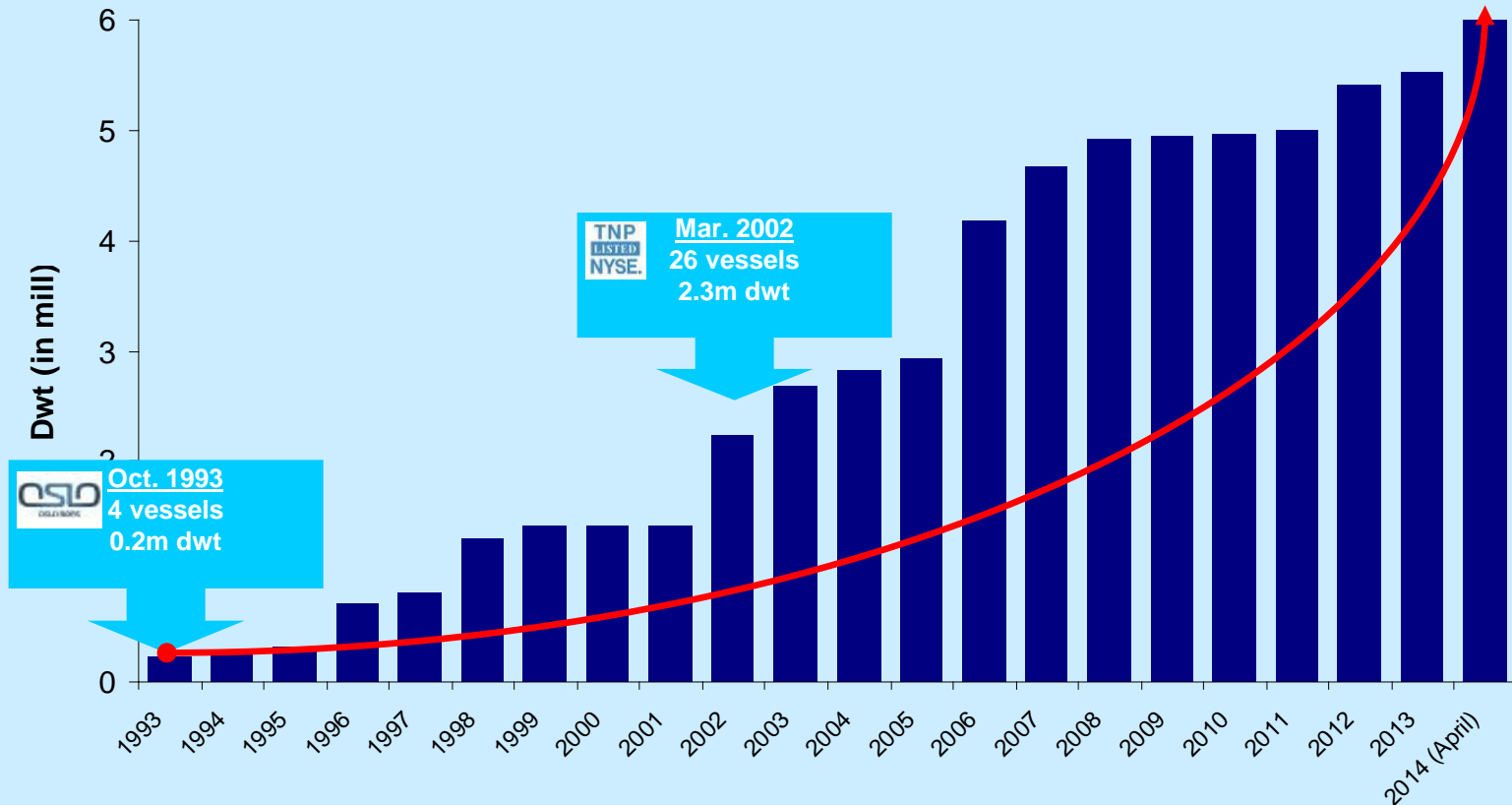


# Continuous Growth Trajectory Since Inception



18% CAGR (based on dwt)

May 2014  
60 vessels (pro forma)  
6.2m dwt



Repeat Low-Cycle Investor – Active in S&P markets with more than \$280m in capital gains

...Over the long-term we have grown our fleet but have waited peak-cycle investing



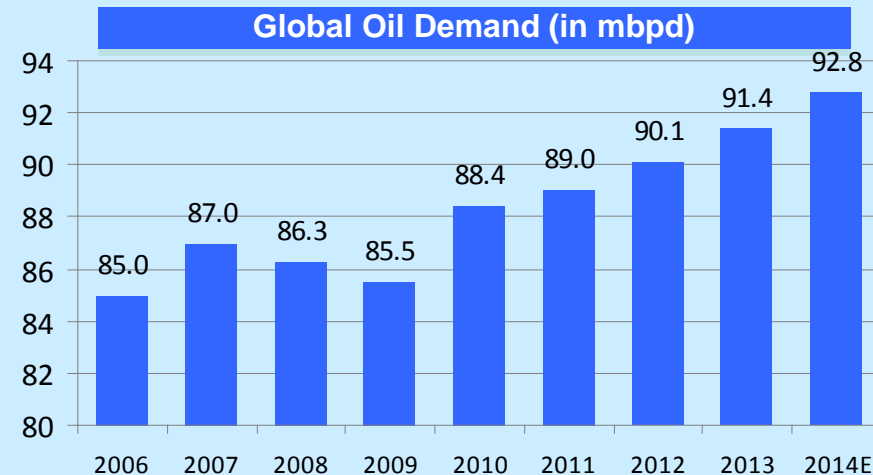
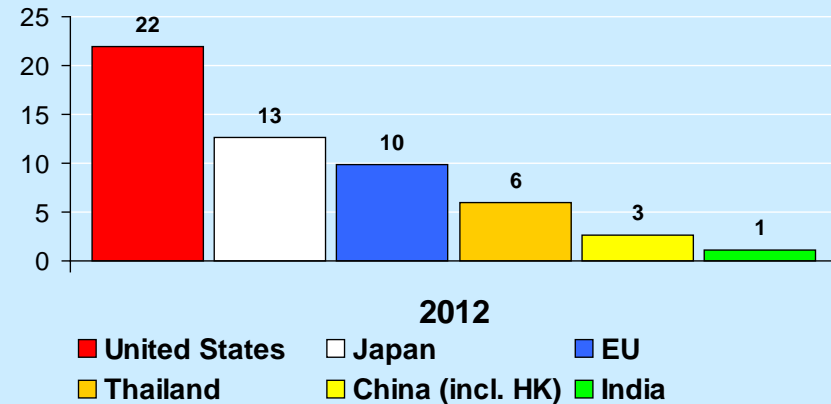
# Positive Long Term Outlook



- ❑ Strong potential of China and India with a combined population of 2.5 billion in a world of 7.0 billion. Their per capita oil consumption is at extremely low levels and have already embarked on an aggressive industrialization program
- ❑ If China reaches the same levels of consumption per capita as Thailand, Chinese oil demand (based on existing population) would rise to 18 mbpd, an increase of 10 mbpd from current levels
- ❑ Non-OECD demand and in particular China and India remain the main drivers behind oil demand growth in 2014. China expected growth in 2014 +3.0% to 10.4mbpd. India expected growth for 2014 +2.4% to 3.5mbpd
- ❑ Oil demand expected to remain positive in the non-OECD (forecasted up 3.1% for 2014) and may become positive in the OECD as the economic recovery continues
- ❑ IEA expects oil to continue growing in 2014 => 91.4mbpd in 2013 +1.3 mbpd over 2012 and 92.8 mbpd in 2014, +1.3mbpd over 2013
- ❑ Crude oil tankers entering healthy territory and products remain stable
- ❑ Global activity continues to strengthen. IMF expects global GDP to grow to 3.6% in 2014 and 3.9% in 2015 from 3.0% in 2013
- ❑ The newbuilding orderbook at low/manageable levels
- ❑ In 2010 the tanker orderbook (vessels over 30K dwt) was at 22.3% of the existing fleet but by April 2014 it stood at 14.4%

## BARRELS OF OIL PER CAPITA PER ANNUM

(Source: BP Statistical Review of World Energy June 2012)

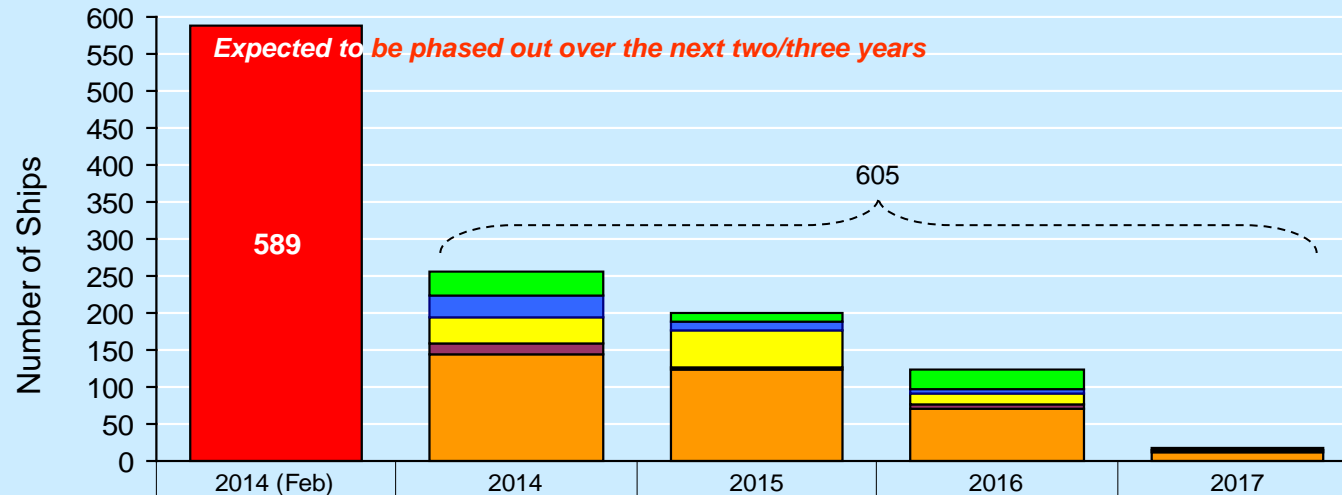




# Tankers over 15yrs vs. Delivery Schedule



- Total Orderbook of 605 tankers vs. 589 vessels in fleet over 15 years of age



|            | 2014 (Feb) | 2014 | 2015 | 2016 | 2017 |
|------------|------------|------|------|------|------|
| Over 15yrs | 589        |      |      |      |      |
| VLCC       |            | 31   | 11   | 26   | 4    |
| Suezmax    |            | 30   | 14   | 5    |      |
| Aframax    |            | 37   | 48   | 15   | 1    |
| Panamax    |            | 13   | 3    | 6    |      |
| Handysize  |            | 145  | 124  | 71   | 13   |

■ Handysize   
 ■ Panamax   
 ■ Aframax   
 ■ Suezmax   
 ■ VLCC



# Corporate Facts



- ❑ 60 vessels (pro forma)
  - ⇒ 48 in operation
  - ⇒ 2 modern Suezmaxes joining the fleet in Q2/Q3 2014
  - ⇒ 9 x Aframax crude carriers under construction
  - ⇒ 1 x LNG under construction
- ❑ 100% double hull vs. 96% of world fleet
- ❑ Average fleet age (excluding two, yet to be delivered, 2012/13 built suezmaxes): 7.3 years vs. 9.1 of world fleet
- ❑ 21 vessels with ice-class capabilities
- ❑ \$4 billion investment in 69 newbuildings since 1997 (including current orders)
- ❑ 32 vessels with secured employment
- ❑ Active fleet utilization in Q1 2014 at 98%
- ❑ 57% of remaining 2014, 36% of 2015 and 23% of 2016 available days in secured revenue contracts (including CoAs / Pools)
- ❑ Accumulated income since 2002 NYSE listing close to \$1 billion
- ❑ Total capital gains since 2002 NYSE listing close to \$280 million
- ❑ Dividend payments since 2002 NYSE listing, including August 2014 payment, total \$9.825/share (\$7.50 issue price, split adjusted)
- ❑ LNG / Shuttle tanker foothold
  - => Early mover advantage attained and favorable market conditions
- ❑ Exploring opportunities through strategic relations with significant oil majors and end-users in conventional tankers (crude, products) and offshore sectors





## Q1 2014 Highlights



- ❑ Voyage revenues of \$130 million (\$98 in Q1 2013)
- ❑ EBITDA of \$49 million (44% increase from Q1 2013)
- ❑ Operating income of \$24.5 million vs. \$9.7 million in Q1 2013 (153% increase)
- ❑ Net Income/(Loss) of \$14.6 million vs. \$1.0 million in Q1 2013
- ❑ EPS, diluted of \$0.19 compared to \$0.02 in Q1 2013
- ❑ Maintained strong balance sheet with \$204 million in cash reserves (\$171.8m at YE 2013)
- ❑ Enhancement of strategic relation with Statoil with four additional aframaxes bringing the total newbuildings to nine with up to \$1.0 billion in total gross revenues (if certain extension options exercised)
- ❑ Constant dividend payments - \$9.825/share in total dividends since NYSE listing in 2002 (including distribution for August 2014 payment)
- ❑ Active fleet utilization of 98%
- ❑ Fleet average age 7.3 years (excluding two, yet to be delivered, 2012/13 suzmaxes)
- ❑ Strategic alliance with Statoil of Norway for the construction and chartering of 9 aframax crude carriers





# Fleet (as of May 15, 2014)



| CRUDE TANKERS  |                           |         |      |                 | COATED TANKERS             |                     |         |      |                          |
|----------------|---------------------------|---------|------|-----------------|----------------------------|---------------------|---------|------|--------------------------|
|                | Dwt                       | Built   | Hull | Ice Class/Other |                            | Dwt                 | Built   | Hull | Ice Class/Other          |
| <b>VLCC</b>    |                           |         |      |                 | <b>AFRAMAX - LR</b>        |                     |         |      |                          |
| 1              | Millennium                | 301,171 | 1998 | DH              | 1                          | Proteas             | 117,055 | 2006 | DH 1A                    |
| <b>SUEZMAX</b> |                           |         |      |                 | <b>PANAMAX</b>             |                     |         |      |                          |
| 1              | Eurovision <sup>(1)</sup> | 158,000 | 2013 | DH              | 1                          | World Harmony       | 74,200  | 2009 | DH                       |
| 2              | Euro <sup>(1)</sup>       | 158,000 | 2012 | DH              | 2                          | Chantal             | 74,329  | 2009 | DH                       |
| 3              | Spyros K                  | 158,000 | 2011 | DH              | 3                          | Selini              | 74,296  | 2009 | DH                       |
| 4              | Dimitris P                | 158,000 | 2011 | DH              | 4                          | Salamina            | 74,251  | 2009 | DH                       |
| 5              | Arctic                    | 163,216 | 2007 | DH              | 5                          | Selecao             | 74,296  | 2008 | DH                       |
| 6              | Antarctic                 | 163,216 | 2007 | DH              | 6                          | Socrates            | 74,327  | 2008 | DH                       |
| 7              | Archangel                 | 163,216 | 2006 | DH              | 7                          | Maya <sup>(2)</sup> | 68,439  | 2003 | DH                       |
| 8              | Alaska                    | 163,250 | 2006 | DH              | 8                          | Inca <sup>(2)</sup> | 68,439  | 2003 | DH                       |
| 9              | Eurochampion 2004         | 164,608 | 2005 | DH              | 9                          | Andes               | 68,439  | 2003 | DH                       |
| 10             | Euronike                  | 164,565 | 2005 | DH              |                            |                     |         |      |                          |
| 11             | Triathlon                 | 164,445 | 2002 | DH              | <b>HANDYMAX - MR</b>       |                     |         |      |                          |
| 12             | Silia T                   | 164,286 | 2002 | DH              | 1                          | Ariadne             | 53,021  | 2005 | DH 1A                    |
| <b>AFRAMAX</b> |                           |         |      |                 | 2                          | Artemis             | 53,039  | 2005 | DH 1A                    |
| 1              | NB 1                      | 112,700 | 2017 | DH              | 3                          | Afrodite            | 53,082  | 2005 | DH 1A                    |
| 2              | NB 2                      | 112,700 | 2017 | DH              | 4                          | Apollon             | 53,149  | 2005 | DH 1A                    |
| 3              | NB 3                      | 112,700 | 2017 | DH              | 5                          | Aris                | 53,107  | 2005 | DH 1A                    |
| 4              | NB 4                      | 112,700 | 2017 | DH              | 6                          | Ajax                | 53,095  | 2005 | DH 1A                    |
| 5              | NB 5                      | 112,700 | 2017 | DH              | <b>HANDYSIZE - MR</b>      |                     |         |      |                          |
| 6              | NB 6                      | 112,700 | 2016 | DH              | 1                          | Andromeda           | 37,061  | 2007 | DH 1A                    |
| 7              | NB 7                      | 112,700 | 2016 | DH              | 2                          | Aegeas              | 37,061  | 2007 | DH 1A                    |
| 8              | NB 8                      | 112,700 | 2016 | DH              | 3                          | Byzantion           | 37,275  | 2007 | DH 1B                    |
| 9              | NB 9                      | 112,700 | 2016 | DH              | 4                          | Bosporos            | 37,275  | 2007 | DH 1B                    |
| 10             | Uraga Princess            | 105,344 | 2010 | DH              | 5                          | Amphitrite          | 37,061  | 2006 | DH 1A                    |
| 11             | Sapporo Princess          | 105,354 | 2010 | DH              | 6                          | Arion               | 37,061  | 2006 | DH 1A                    |
| 12             | Asahi Princess            | 105,372 | 2009 | DH              | 7                          | Didimon             | 37,432  | 2005 | DH                       |
| 13             | Ise Princess              | 105,361 | 2009 | DH              | 8                          | Delphi              | 37,432  | 2004 | DH                       |
| 14             | Maria Princess            | 105,346 | 2008 | DH              | <b>SPECIALIZED TANKERS</b> |                     |         |      |                          |
| 15             | Nippon Princess           | 105,392 | 2008 | DH              | <b>LNG</b>                 |                     |         |      |                          |
| 16             | Izumo Princess            | 105,374 | 2007 | DH              | 1                          | Maria Energy        | 86,000  | 2016 | DH 174,000m <sup>3</sup> |
| 17             | Sakura Princess           | 105,365 | 2007 | DH              | 2                          | Neo Energy          | 85,602  | 2007 | DH 150,000m <sup>3</sup> |
|                |                           |         |      |                 | <b>DP2 SHUTTLE</b>         |                     |         |      |                          |
|                |                           |         |      |                 | 1                          | Rio 2016            | 157,000 | 2013 | DH DP2                   |
|                |                           |         |      |                 | 2                          | Brasil 2014         | 157,000 | 2013 | DH DP2                   |

(1) To be delivered to the fleet in Q2/Q3 2014

(2) 51% ownership

Note: Four of the Aframax newbuildings may have ice-class designations



# Long-Term Strategic Alliances



| <u>Top Customers</u> | <u>Rating (1)</u> | <u>% of 2013 Revenue</u> |
|----------------------|-------------------|--------------------------|
| 1. Petrobras         | A3 / BBB          | 21.3%                    |
| Statoil (2)          | Aa2/AA-           | 14.0%                    |
| 2. Shell             | Aa1/AA            | 10.6%                    |
| 3. Flopec            | NR / NR           | 8.3%                     |
| 4. BG                | A2 / A            | 7.0%                     |
| 5. ExxonMobil        | Aaa/AAA           | 6.8%                     |
| 6. Clearlake         | NR/NR             | 6.1%                     |
| 7. HMM               | A- / A-           | 5.8%                     |
| 8. BP                | A2 / A            | 3.5%                     |

**70%**



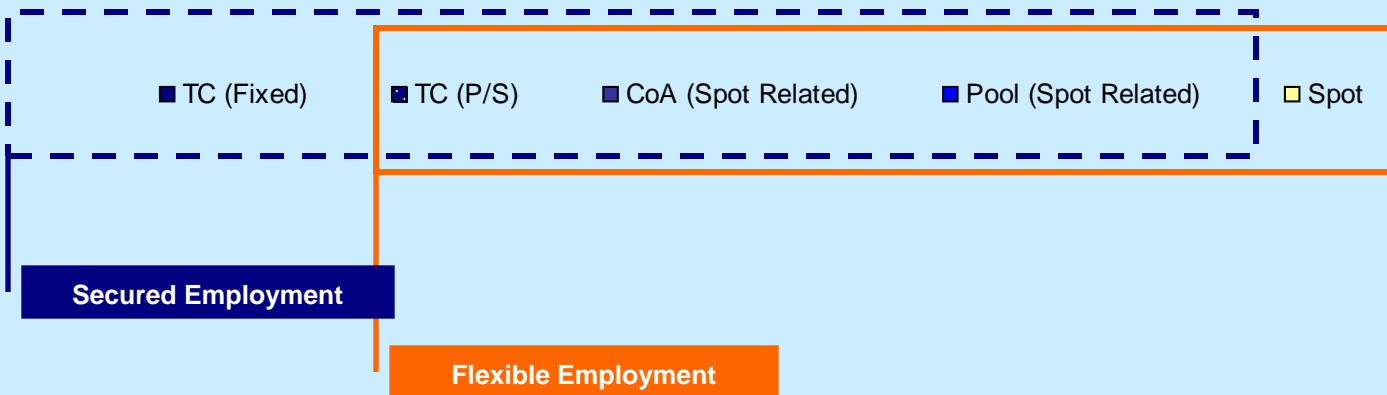
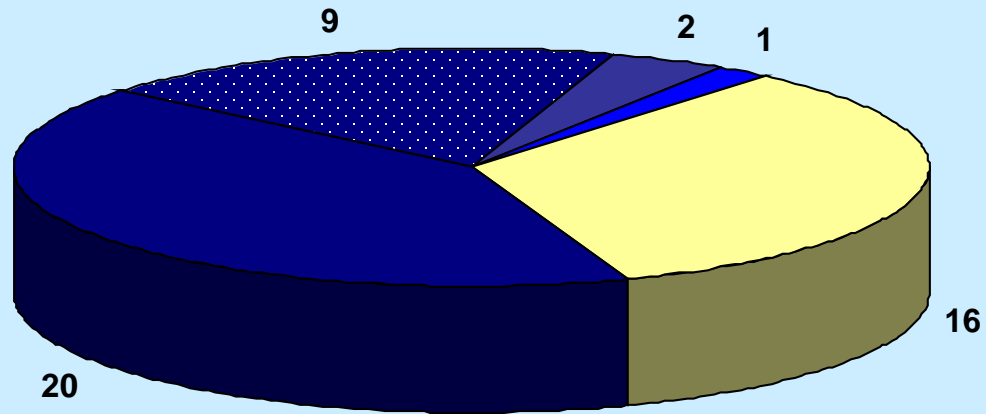
Long-term, blue-chip, recurring customer base consisting of major global energy companies

Transporter of Choice for Major Oil Companies

(1) Ratings sourced from Bloomberg on 4/18/2013 and are Moody's / Standard & Poor's except for HMM which is KIS / Korea Rating  
 (2) Assumed placement based on projected estimation of all nine vessels solely for the purpose of highlighting the importance of the recently concluded strategic partnership



# Employment Details (as of May 15, 2014)

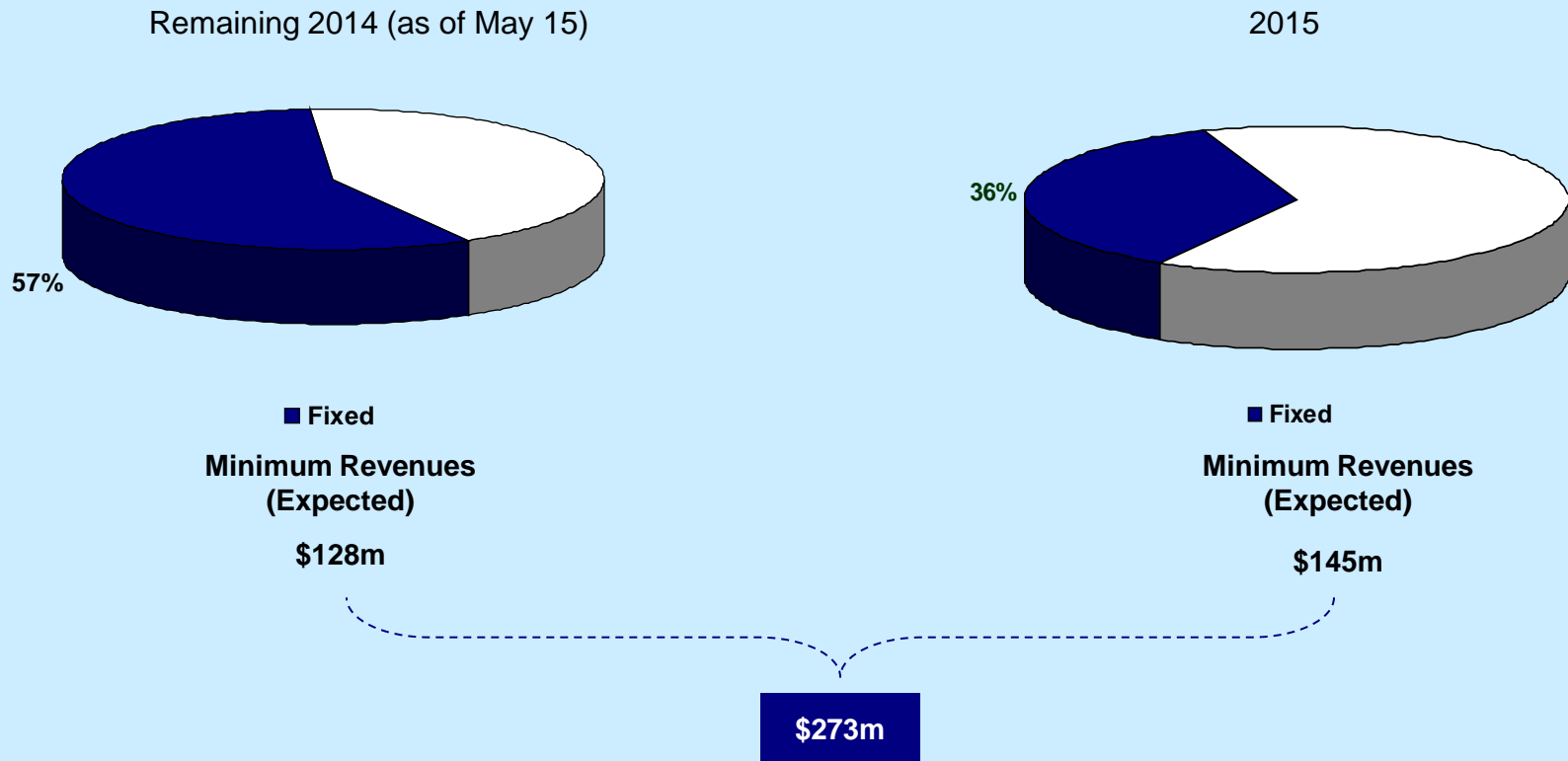




## Secured Revenues (TC, TCPS, COA, POOL)



Based on employable dates and includes vessels under time charter, time charter with profit share (only minimum rate) and Pool/CoAs (*Subject to deliveries and potential changes in TEN's chartering policy*)



As of May 15, 2014 **32** vessels with secured employment (profit-share vessels at min. rates) have until end of respective charters:

**898 months forward coverage - 2.3 years average TC - \$823m in expected min. revenues**



## Sale & Purchase Activity – Capital Gains



- ❑ Sale & Purchase activity integral to operations – Close to 100 transactions - realizing actual value
- ❑ Since 2003 TEN has generated capital gains from its sale & purchase activity close to \$280 million
- ❑ \$28 million average per year in capital gains since NYSE listing in 2002
- ❑ Unprecedented fleet growth
- ❑ Maintain fleet modernity
- ❑ Sale & Purchase activity integral to operations
- ❑ On average approximately 26% of net income in capital gains



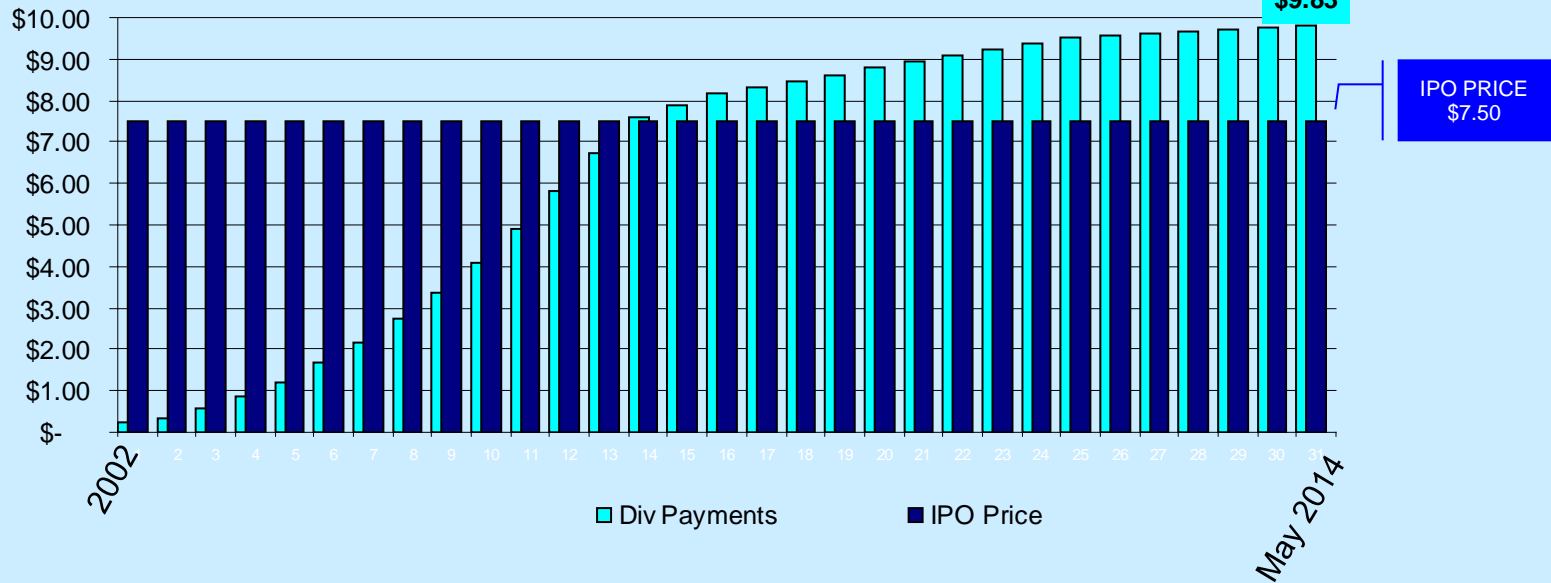


# Continuous Dividend Payments



- Dividend payments far in excess of original IPO price of \$7.50/share
- Today investors have gotten \$9.825/share in dividends (incl. May and August distributions), 31% higher over their original \$7.50 IPO investment plus....
- Close to \$1 billion total net income (since 2002) - \$390 million in dividend distribution

### DIVIDEND GROWTH HISTORY VS. IPO AND CURRENT PRICE





# Income Statement



Three months ended  
March 31

## STATEMENT OF OPERATIONS DATA

|  | <u>2014</u>       | <u>2013</u>       |
|--|-------------------|-------------------|
| <b>Voyage revenues</b>   | \$ 130,288        | \$ 97,693         |
| Commissions  | 4,999             | 3,764             |
| Voyage expenses  | 34,009            | 24,526            |
| Vessel operating expenses  | 36,445            | 31,325            |
| Depreciation   | 23,593            | 22,271            |
| Amortization of deferred dry-docking costs   | 1,262             | 1,190             |
| Management fees  | 4,030             | 3,940             |
| General and administrative expenses  | 1,397             | 1,137             |
| Foreign currency losses/(gains)  | 55                | (157)             |
| <b>Total expenses</b>  | <u>105,790</u>    | <u>87,996</u>     |
| <b>Operating income</b>  | <u>24,498</u>     | <u>9,697</u>      |
| Interest and finance costs, net  | (9,526)           | (9,625)           |
| Interest income  | 46                | 85                |
| Other, net   | (520)             | 1,002             |
| <b>Total other expenses, net</b>   | <u>(10,000)</u>   | <u>(8,538)</u>    |
| <b>Net Income</b>  | 14,498            | 1,159             |
| Less: Net loss/(income) attributable to the noncontrolling interest                | 69                | (139)             |
| <b>Net Income attributable to Tsakos Energy Navigation Limited</b>                 | <u>\$ 14,567</u>  | <u>\$ 1,020</u>   |
| Effect of preferred dividends  | (2,109)           | -                 |
| Net Income attributable to common stockholders of Tsakos Energy Navigation Limited | \$ 12,458         | \$ 1,020          |
| Earnings per share, basic and diluted  | \$ 0.19           | \$ 0.02           |
| Weighted average number of common shares, basic and diluted                        | <u>66,644,613</u> | <u>56,443,237</u> |



# Balance Sheet



## BALANCE SHEET DATA

|   | <b>March 31<br/>2014</b> | <b>December 31<br/>2013</b> |
|---|--------------------------|-----------------------------|
| Cash  | 203,985                  | 171,764                     |
| Other assets                                      | 85,467                   | 80,546                      |
| Vessels, net                                      | 2,149,939                | 2,173,068                   |
| Advances for vessels under construction           | 105,710                  | 58,521                      |
| <b>Total assets</b>                               | <b>\$ 2,545,101</b>      | <b>\$ 2,483,899</b>         |
| Debt  | 1,354,397                | 1,380,298                   |
| Other liabilities                                 | 95,652                   | 105,938                     |
| Stockholders' equity                              | 1,095,052                | 997,663                     |
| <b>Total liabilities and stockholders' equity</b> | <b>\$ 2,545,101</b>      | <b>\$ 2,483,899</b>         |







## Other Financial / Fleet Data



Three months ended  
March 31

### OTHER FINANCIAL DATA

|  | <u>2014</u>  | <u>2013</u>  |
|--|--------------|--------------|
| Net cash from operating activities     | \$ 18,763    | \$ 39,810    |
| Net cash used in investing activities  | \$ (47,614)  | \$ (58,178)  |
| Net cash from financing activities     | \$ 62,945    | \$ 6,553     |
| <br>                                   |              |              |
| TCE per ship per day                   | \$ 22,750    | \$ 18,176    |
| <br>                                   |              |              |
| Operating expenses per ship per day    | \$ 8,436     | \$ 7,692     |
| Vessel overhead costs per ship per day | \$ 1,256     | \$ 1,220     |
|  | <u>9,692</u> | <u>8,912</u> |

### FLEET DATA

|  |       |              |              |
|--|-------|--------------|--------------|
| Average number of vessels during period          |       | 48.0         | 46.2         |
| Number of vessels at end of period               |       | 48.0         | 47.0         |
| Average age of fleet at end of period            | Years | 7.3          | 6.5          |
| Dwt at end of period (in thousands)              |       | 4,786        | 4,631        |
| <br>   |       |              |              |
| Time charter employment - fixed rate             | Days  | 1,763        | 1,475        |
| Time charter employment - variable rate          | Days  | 790          | 1,136        |
| Period employment (pool and coa) at market rates | Days  | 90           | 184          |
| Spot voyage employment at market rates           | Days  | 1,589        | 1,280        |
| Total operating days                             |       | <u>4,232</u> | <u>4,075</u> |
| Total available days                             |       | 4,320        | 4,161        |
| Utilization                                      |       | 98.0%        | 97.9%        |



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