

# TEN Ltd

## Tsakos Energy Navigation



July 28, 2011

6mo & Q2 2011 Earnings Conference Call

TNP  
LISTED  
NYSE.



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## Corporate Highlights

- ❑ 18 years of continuous profitable growth
- ❑ 50 vessels (proforma)
  - ⇒ 47 in operation
  - ⇒ 1 conventional suezmax under construction (to be delivered on August 2, 2011)
  - ⇒ 2 shuttle tanker suezmaxes under construction
- ❑ 100% double hull vs. 92% of world fleet
- ❑ Average fleet age: 6.7 years vs. 8.6 of world fleet
- ❑ 21 vessels with ice-class capabilities
- ❑ Over \$3.2 billion investment in 57 newbuildings since 1997 (initiation of newbuilding program)
- ❑ Eleven, twelve and fifteen year new charters of four newbuilding suezmaxes (two conventional and two DP2 shuttle tankers) and four years for LNG carrier for a combined revenue of \$830 million
- ❑ Charter renewal of panamax tankers *Chantal* and *World Harmony* for two years
- ❑ One year fixture of *Maria Princess* to Chinese concerns
- ❑ Fleet utilization in first half 2011 at 98%
- ❑ 68% of remaining available days in 2011 and 46% in 2012, so far, in secured revenue contracts
- ❑ Accumulated income since 2002 NYSE listing close to \$1 billion
- ❑ Sale of aframax tankers *Opal Queen* and *Vergina II* for \$5.0 million capital gains. \$18.2 million released in free cash
- ❑ Total capital gains since 2002 NYSE listing close to \$282 million
- ❑ Total dividend payments since 2002 NYSE listing, including most recent payment total \$8.925/share (\$7.50 issue price, split adjusted)



## 6mo 2011 & Q2 2011 Highlights

### 6mo 2011

|                             |                 |
|-----------------------------|-----------------|
| ❑ Voyage Revenues:          | \$200.5 million |
| ❑ Net Income / (Loss):      | \$(8.8) million |
| ❑ TCE per vessel per day:   | \$17,203        |
| ❑ Opex per vessel per day : | \$7,654         |

- Sale of two aframax tankers (*Opal Queen* and *Vergina II*) with \$5.0 million capital gains
- Eleven and twelve year charters with profit share for two conventional suezmax newbuildings (*Spyros K* and *Dimitris P*) with expected minimum revenues of \$200 million
- Charter of LNG *Neo Energy*, from February 2012 at rate double the vessel's breakeven
- Two year charter extension for 2009-built panamaxes *World Harmony* and *Chantal* with a minimum rate and open upside. Total minimum revenues expected at \$22 million.

### Q2 2011

|                             |                  |
|-----------------------------|------------------|
| ❑ Voyage Revenues:          | \$101.3 million  |
| ❑ Net Income / (Loss):      | \$(18.1) million |
| ❑ TCE per vessel per day:   | \$16,426         |
| ❑ Opex per vessel per day : | \$7,826          |



# Fleet (as of July 28, 2011)

## CLEAN / PRODUCT TANKERS

|                       | Dwt     | Built | Hull | Ice Class |
|-----------------------|---------|-------|------|-----------|
| <b>AFRAMAX - LR</b>   |         |       |      |           |
| 1 Proteas             | 117,055 | 2006  | DH   | 1A        |
| 2 Promitheas          | 117,055 | 2006  | DH   | 1A        |
| 3 Propontis           | 117,055 | 2006  | DH   | 1A        |
| <b>PANAMAX</b>        |         |       |      |           |
| 1 World Harmony       | 74,200  | 2009  | DH   |           |
| 2 Chantal             | 74,329  | 2009  | DH   |           |
| 3 Selini              | 74,296  | 2009  | DH   |           |
| 4 Salamina            | 74,251  | 2009  | DH   |           |
| 5 Selecao             | 74,296  | 2008  | DH   |           |
| 6 Socrates            | 74,327  | 2008  | DH   |           |
| 7 Maya <sup>(1)</sup> | 68,439  | 2003  | DH   |           |
| 8 Inca <sup>(1)</sup> | 68,439  | 2003  | DH   |           |
| 9 Andes               | 68,439  | 2003  | DH   |           |
| <b>HANDYMAX - MR</b>  |         |       |      |           |
| 1 Ariadne             | 53,021  | 2005  | DH   | 1A        |
| 2 Artemis             | 53,039  | 2005  | DH   | 1A        |
| 3 Afrodite            | 53,082  | 2005  | DH   | 1A        |
| 4 Apollon             | 53,149  | 2005  | DH   | 1A        |
| 5 Aris                | 53,107  | 2005  | DH   | 1A        |
| 6 Ajax                | 53,095  | 2005  | DH   | 1A        |
| <b>HANDYSIZE - MR</b> |         |       |      |           |
| 1 Andromeda           | 37,061  | 2007  | DH   | 1A        |
| 2 Aegeas              | 37,061  | 2007  | DH   | 1A        |
| 3 Byzantion           | 37,275  | 2007  | DH   | 1B        |
| 4 Bosporos            | 37,275  | 2007  | DH   | 1B        |
| 5 Amphitrite          | 37,061  | 2006  | DH   | 1A        |
| 6 Arion               | 37,061  | 2006  | DH   | 1A        |
| 7 Didimon             | 37,432  | 2005  | DH   |           |
| 8 Delphi              | 37,432  | 2004  | DH   |           |
| <b>LNG</b>            |         |       |      |           |
| 1 Neo Energy          | 85,602  | 2007  | DH   |           |

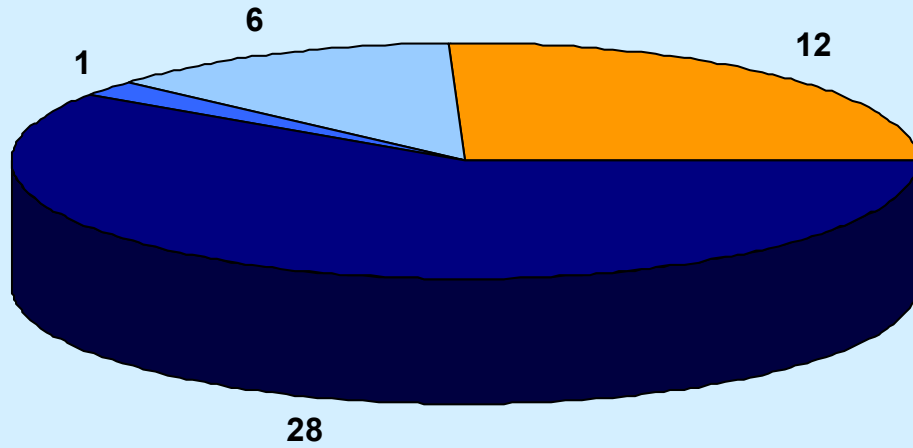
## CRUDE TANKERS

|                     | Dwt     | Built | Hull | Ice Class |
|---------------------|---------|-------|------|-----------|
| <b>VLCC</b>         |         |       |      |           |
| 1 Millennium        | 301,171 | 1998  | DH   |           |
| 2 La Madrina        | 299,700 | 1994  | DH   |           |
| 3 La Prudencia      | 298,900 | 1993  | DH   |           |
| <b>SUEZMAX</b>      |         |       |      |           |
| 1 DP2 Shuttle       | 157,000 | 2012  | DH   |           |
| 2 DP2 Shuttle       | 157,000 | 2012  | DH   |           |
| 3 Spyros K          | 158,000 | 2011  | DH   |           |
| 4 Dimitris P        | 158,000 | 2011  | DH   |           |
| 5 Arctic            | 163,216 | 2007  | DH   | 1A        |
| 6 Antarctic         | 163,216 | 2007  | DH   | 1A        |
| 7 Archangel         | 163,216 | 2006  | DH   | 1A        |
| 8 Alaska            | 163,250 | 2006  | DH   | 1A        |
| 9 Eurochampion 2004 | 164,608 | 2005  | DH   | 1C        |
| 10 Euronike         | 164,565 | 2005  | DH   | 1C        |
| 11 Triathlon        | 164,445 | 2002  | DH   |           |
| 12 Silia T          | 164,286 | 2002  | DH   |           |
| <b>AFRAMAX</b>      |         |       |      |           |
| 1 Uraga Princess    | 105,344 | 2010  | DH   |           |
| 2 Sapporo Princess  | 105,354 | 2010  | DH   |           |
| 3 Asahi Princess    | 105,372 | 2009  | DH   |           |
| 4 Ise Princess      | 105,361 | 2009  | DH   |           |
| 5 Maria Princess    | 105,346 | 2008  | DH   |           |
| 6 Nippon Princess   | 105,392 | 2008  | DH   |           |
| 7 Izumo Princess    | 105,374 | 2007  | DH   |           |
| 8 Sakura Princess   | 105,365 | 2007  | DH   |           |

<sup>(1)</sup> 51% ownership



# Employment Details (as of July 28<sup>th</sup>, 2011)



■ Time Charter (Secured and P/S)   ■ CoA (Spot Related)   ■ Pool (Spot Related)   ■ Spot

Secured Employment

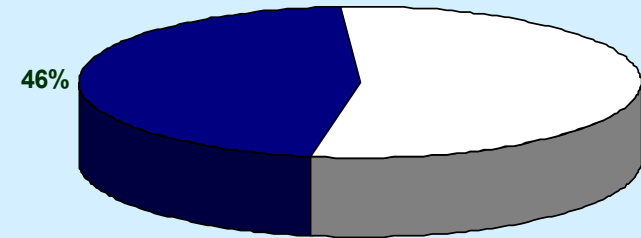
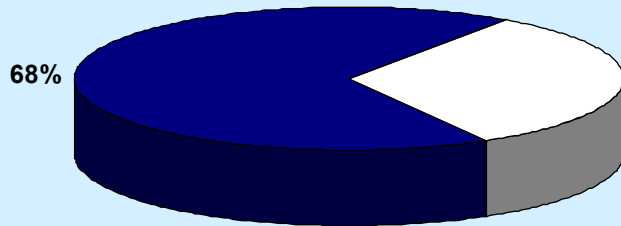


## Secured Revenues (including TC, TC w/PS, Pool, CoA)

Based on employable dates and includes vessels time charter, pools and CoA– subject to change based on new deliveries and potential changes in TEN's chartering policy

2011 (remaining 6mos)

2012 (so far)



■ Fixed

■ Fixed

Minimum Revenues  
(Expected)

Minimum Revenues  
(Expected)

\$95m

\$138m

\$233m

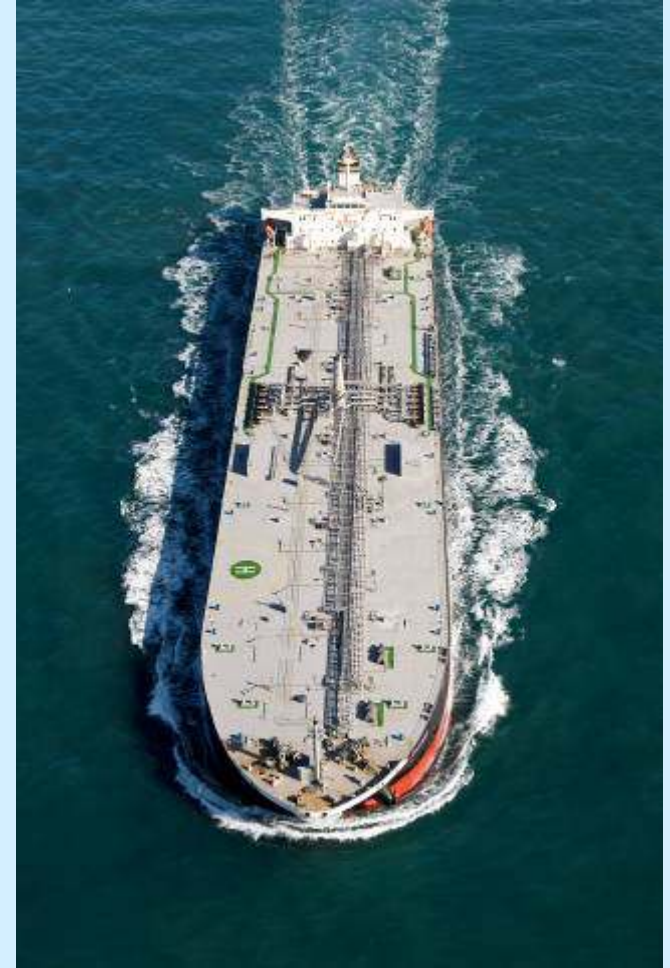
As of July 28, 2011 **28 vessels** with time charter employment only (profit-share vessels at min. rates) have secured until end of respective employment:

**524 months forward coverage - 1.6 years per ship - \$405m min. revenues (expected)**



## 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 \$282 million
- \$29 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 27% of net income in capital gains







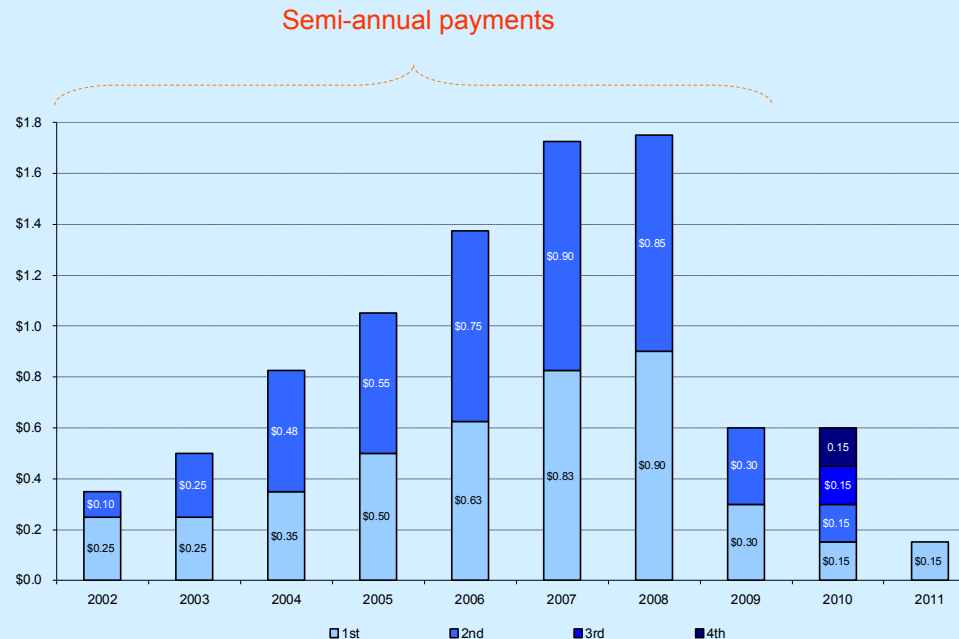
# Continuous Dividend Payments

On June 4th, 2010 the Board of Directors declared a change in TEN's dividend policy from semi-annual to quarterly payments

➤ Total dividends for 2010: \$0.60/share

➤ First dividend for 2011: \$0.15/share

- Since initiation of dividend payments and including the recently announced quarterly payment, TEN has distributed a total of \$8.925 per share to its shareholders (IPO price, split adjusted: \$7.50)
- The basis of dividends will continue to target a payout ratio of 25% to 50% of net income subject to maintaining an appropriate level of liquidity as a function of a prudent and strong financial position





# Income Statement

## STATEMENT OF INCOME DATA (in \$ millions)

|   | Q2               |                 | 6mo             |                 |
|---|------------------|-----------------|-----------------|-----------------|
|   | 2011             | 2010            | 2011            | 2010            |
| <b>Voyage revenues</b>  | <u>\$ 101.3</u>  | <u>\$ 112.8</u> | <u>\$ 200.5</u> | <u>\$ 217.5</u> |
| Voyage, commissions, charter hire expenses                                  | 37.5             | 30.9            | 64.4            | 54.9            |
| Vessel operating expenses   | 33.1             | 29.4            | 64.7            | 63.9            |
| Depreciation and amortization   | 26.0             | 23.4            | 51.4            | 46.3            |
| Overheads (Management fees, G&A and stock compensation expense )            | 5.4              | 4.4             | 10.7            | 9.3             |
| Foreign currency losses   | 0.2              | 0.4             | 0.6             | 0.2             |
| Loss/(Gain) on sale of vessels  | 0.8              | (5.8)           | (5.0)           | (20.2)          |
| <b>Total expenses</b>   | <u>103.0</u>     | <u>82.7</u>     | <u>186.8</u>    | <u>154.4</u>    |
| <b>Operating (Loss) / Income</b>  | <u>(1.7)</u>     | <u>30.2</u>     | <u>13.7</u>     | <u>63.1</u>     |
| Interest and finance costs, net   | (16.9)           | (21.5)          | (23.4)          | (35.5)          |
| Interest income and other, net  | 0.6              | 0.7             | 1.2             | 1.3             |
| Other, net  | (0.0)            | (0.1)           | (0.1)           | (0.1)           |
| <b>Total other expenses, net</b>  | <u>(16.3)</u>    | <u>(20.9)</u>   | <u>(22.3)</u>   | <u>(34.3)</u>   |
| <b>Net (Loss) / Income</b>  | <u>(18.0)</u>    | <u>9.2</u>      | <u>(8.6)</u>    | <u>28.8</u>     |
| Less: Net income attributable to the noncontrolling interest                | (0.1)            | (0.7)           | (0.3)           | (0.9)           |
| <b>Net (Loss) / Income attributable to Tsakos Energy Navigation Limited</b> | <u>\$ (18.1)</u> | <u>\$ 8.5</u>   | <u>\$ (8.8)</u> | <u>\$ 27.9</u>  |
| TCE per ship per day  | \$ 16,426        | \$ 22,059       | \$ 17,203       | \$ 21,371       |
| Operating expenses per ship per day   | \$ 7,826         | \$ 7,342        | \$ 7,654        | \$ 7,885        |
| Vessel overhead costs per ship per day                                      | <u>\$ 1,231</u>  | <u>\$ 1,077</u> | <u>\$ 1,241</u> | <u>\$ 1,108</u> |
|   | 9,057            | 8,419           | 8,895           | 8,993           |
| Average number of vessels during period                                     | 47.5             | 45.0            | 47.7            | 45.8            |
| Number of vessels at end of period  | 47.0             | 44.0            | 47.0            | 44.0            |
| Utilization   | 96.6%            | 97.8%           | 97.7%           | 98.5%           |



# Balance Sheet

(in US\$ mill)

|  | <b>June 30<br/>2011</b> | <b>June 30<br/>2010</b> |
|--|-------------------------|-------------------------|
| Cash   | 227.5                   | 305.6                   |
| Current assets, including cash                                   | 300.2                   | 377.9                   |
| Investments  | 1.0                     | 1.0                     |
| Financial instruments, net of current portion                    | 1.0                     | 1.0                     |
| Advances for vessels under construction                          | 77.1                    | 122.4                   |
| Vessels  | 2,704.9                 | 2,399.4                 |
| Accumulated Depreciation   | (452.5)                 | (369.0)                 |
| Vessels' Net Book Value  | 2,252.3                 | 2,030.4                 |
| Deferred charges, net  | 17.2                    | 15.3                    |
| <b>Total assets</b>  | <b>\$ 2,648.8</b>       | <b>\$ 2,547.9</b>       |
| <br>   |                         |                         |
| Current portion of long-term debt                                | 120.2                   | 115.5                   |
| Current liabilities, including current portion of long-term debt | 210.6                   | 208.7                   |
| Long-term debt, net of current portion                           | 1,406.9                 | 1,351.5                 |
| Financial instruments, net of current portion                    | 25.6                    | 47.2                    |
| Total stockholders' equity                                       | 1,005.7                 | 940.5                   |
| <b>Total liabilities and stockholders' equity</b>                | <b>\$ 2,648.8</b>       | <b>\$ 2,547.9</b>       |



# TSAKOS ENERGY NAVIGATION, LTD

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