

# TEN Ltd

## Tsakos Energy Navigation



TNP  
LISTED  
NYSE.

November 21, 2012

Q3 & 9mo 2012 Earnings Conference Call



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## Corporate Facts

- ❑ 51<sup>(1)</sup> vessels (pro forma)
    - ⇒ 48<sup>(1)</sup> in operation
    - ⇒ 2x DP2 shuttle tanker suezmaxes under construction
    - ⇒ 1x LNG under construction plus one option
  - ❑ 100% double hull vs. 95% of world fleet
  - ❑ Average fleet age: 6.2 years (excluding two vessels held for sale) vs. 8.6 of world fleet
  - ❑ 21 vessels with ice-class capabilities
  - ❑ Over \$4 billion investment in 65 newbuildings since 1997 (initiation of newbuilding program)
  - ❑ 33 vessels in fixed employment (incl. 15 year employment for two shuttle tankers to be delivered Q1 and Q2 2013)
  - ❑ Active fleet utilization in Q3 2012 at 98%
  - ❑ 63% of remaining (Q4) 2012 and 53% of 2013 available days in secured revenue contracts
  - ❑ Accumulated income since 2002 NYSE listing close to \$1 billion
  - ❑ Total capital gains since 2002 NYSE listing close to \$280 million
  - ❑ Total dividend payments since 2002 NYSE listing, including most recent payment total \$9.575/share (\$7.50 issue price, split adjusted)
  - ❑ 18 years of continuous growth
  - ❑ Strengthening LNG foothold
    - ⇒ Build on early mover advantage attained and favorable market conditions
  - ❑ Exploring opportunities in shuttle tanker / conventional offshore sectors
- (1) Includes two VLCCs, La Madrina and La Prudencia agreed to be sold



## 9mo Corporate Highlights

- ❑ Voyage revenues of \$293.7 million
- ❑ Positive EBITDA generated from all operational ships totalling \$87.7 million
- ❑ \$11.9 million in operating income vs. \$4.6 million in nine-months 2011 (159% increase)
- ❑ 24% improvement in the net results, (\$24.9) million loss vs. (\$32.9) million loss in nine-months 2011
- ❑ Maintained strong balance sheet
- ❑ Nine new charters with minimum revenues of over \$220 million and 2.4 years average employment
- ❑ 33 vessels out of a pro-forma fleet of 51 on fixed employment utilization
- ❑ Constant dividend payments (\$0.50/share in 2012). \$9.575/share in total dividends since NYSE listing in 2002
- ❑ Active fleet utilization of 98% - Maintenance of tight cost control
- ❑ Fleet average age 6.2 years – Agreement to sell two older vessels
- ❑ Further expansion in LNG and shuttle sectors
- ❑ Accretive re-charter of the LNG Neo Energy



# Fleet (as of November 21, 2012)

## 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 Bosphoros	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 <sup>(2)</sup></b>				
1 TBD	86,000	2015	DH	
2 Neo Energy	85,602	2007	DH	

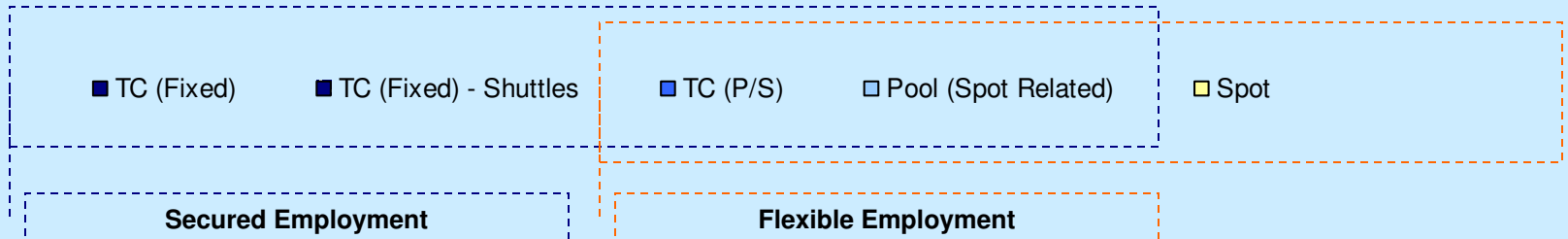
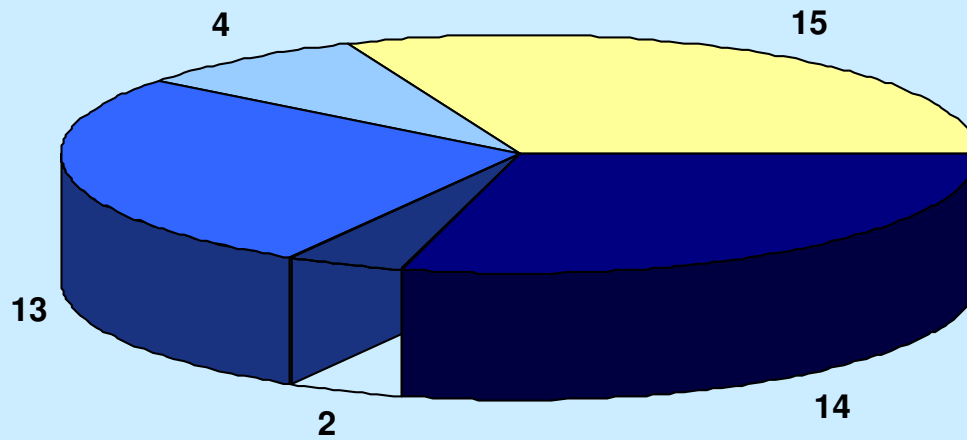
## CRUDE TANKERS

	Dwt	Built	Hull	Ice Class
<b>VLCC</b>				
1 Millennium	301,171	1998	DH	
2 La Madrina <sup>(3)</sup>	299,700	1994	DH	
3 La Prudencia <sup>(3)</sup>	298,900	1993	DH	
<b>SUEZMAX</b>				
1 DP2 Shuttle	157,000	2013	DH	
2 DP2 Shuttle	157,000	2013	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 Uruga 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	

- (1) 51% ownership  
 (2) TEN retains option for one additional LNG newbuild  
 (3) La Madrina and La Prudencia agreed to be sold



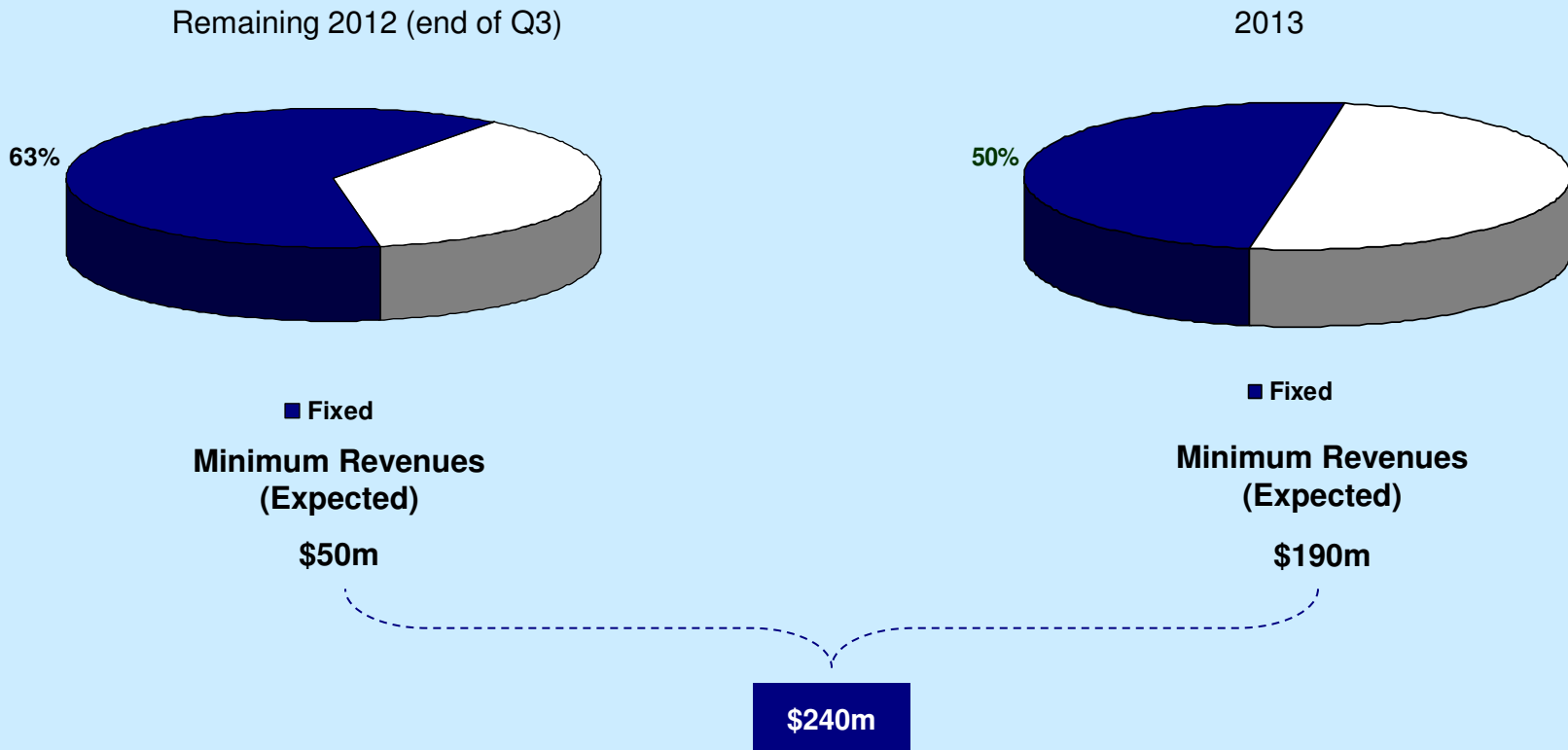
# Employment Details (as of November 21, 2012 - excludes two VLCCs agreed to be sold)





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

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



As of November 21, 2012 29 vessels (including the two shuttle tankers NBs) with time charter employment only (profit-share vessels at min. rates) have secured until end of respective employments:

1,245 months forward coverage - 3.6 years average TC - \$1.1bl 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
- ❑ \$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 26% of net income in capital gains



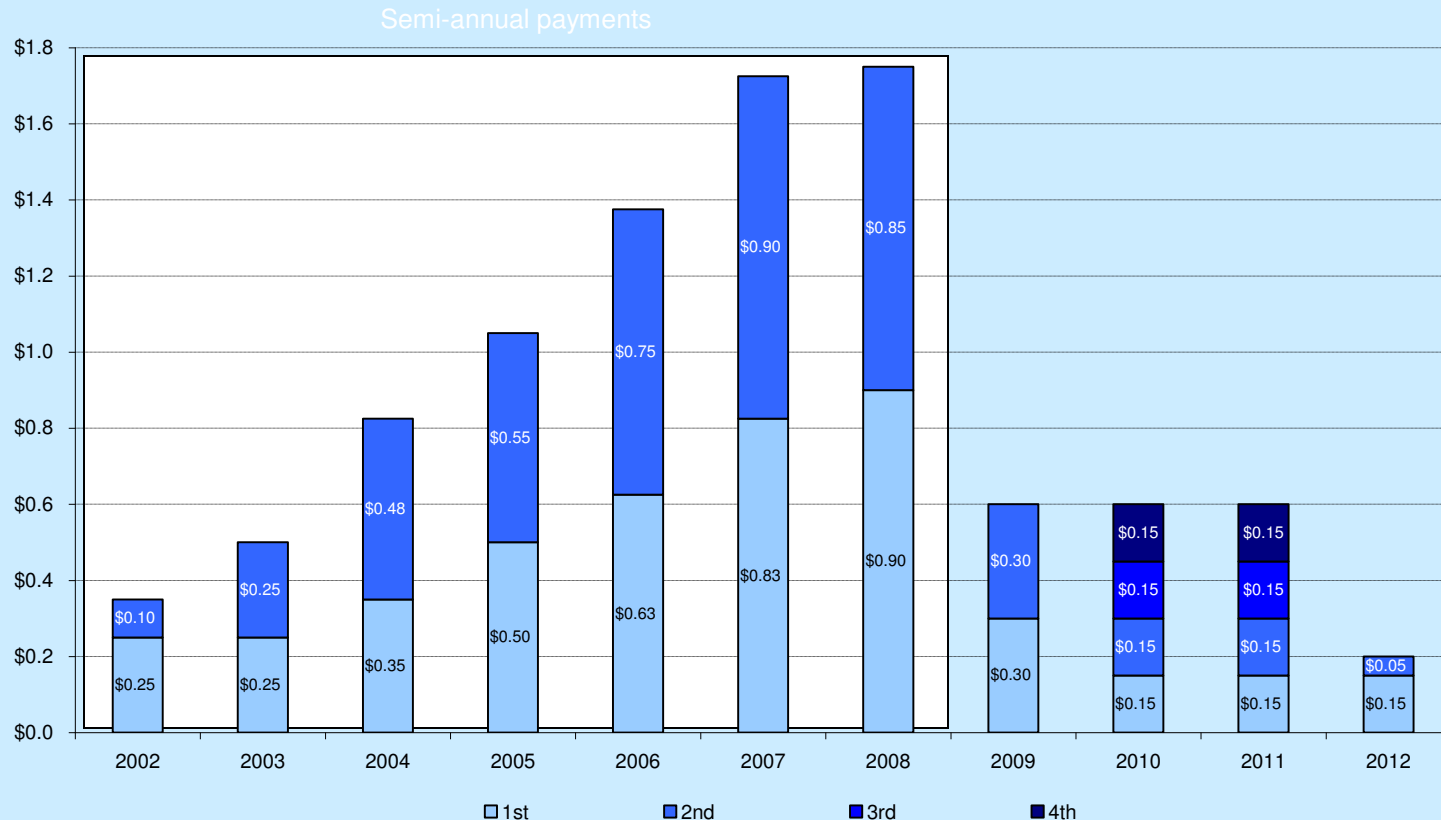




# Continuous Dividend Payments

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

- Since initiation of dividend payments and including the recently announced quarterly payment, TEN has distributed a total of \$9.525 per share to its shareholders (IPO price, split adjusted: \$7.50)



Note: Years in graph denote year of dividend payment



# Income Statement

STATEMENT OF OPERATIONS DATA	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
<b>Voyage revenues</b>	\$ 92,409	\$ 93,862	\$ 293,686	\$ 294,367
Commissions	3,375	3,399	8,548	10,473
Voyage expenses	24,812	34,849	82,700	92,090
Vessel operating expenses	33,146	32,978	100,796	97,712
Depreciation	23,948	25,859	71,317	74,945
Amortization of deferred dry-docking costs	1,266	1,271	3,534	3,572
Management fees	3,967	3,879	11,926	11,698
General and administrative expenses	1,048	811	2,831	3,004
Stock compensation expense	0	73	168	774
Foreign currency (gains)/losses	71	(139)	(48)	500
Net gain on sale of vessels	-	-	-	(5,001)
<b>Total expenses</b>	<u>91,633</u>	<u>102,980</u>	<u>281,772</u>	<u>289,767</u>
<b>Operating income/(loss)</b>	<u>776</u>	<u>(9,118)</u>	<u>11,914</u>	<u>4,600</u>
Interest and finance costs, net	(11,348)	(15,502)	(37,758)	(38,872)
Interest income	243	779	1,121	1,967
Other, net	(6)	(74)	(25)	(205)
<b>Total other expenses, net</b>	<u>(11,111)</u>	<u>(14,797)</u>	<u>(36,662)</u>	<u>(37,110)</u>
<b>Net loss</b>	<u>(10,335)</u>	<u>(23,915)</u>	<u>(24,748)</u>	<u>(32,510)</u>
Less: Net income attributable to the noncontrolling interest	(24)	(145)	(115)	(395)
<b>Net loss attributable to Tsakos Energy Navigation Limited</b>	<u>\$ (10,359)</u>	<u>\$ (24,060)</u>	<u>\$ (24,863)</u>	<u>\$ (32,905)</u>
Loss per share, basic	\$ (0.18)	\$ (0.52)	\$ (0.48)	\$ (0.71)
Loss per share, diluted	\$ (0.18)	\$ (0.52)	\$ (0.48)	\$ (0.71)
Weighted average number of shares				
Basic	56,293,237	46,153,987	52,295,812	46,106,185
Diluted	56,293,237	46,153,987	52,295,812	46,106,185



# Balance Sheet

## BALANCE SHEET DATA

	<b>September 30 2012</b>	<b>December 31 2011</b>	<b>September 30 2011</b>
Cash, restricted cash and marketable securities	164,275	184,226	237,960
Other assets	126,630	119,115	84,049
Vessels, net	2,124,215	2,194,360	2,301,955
Advances for vessels under construction	88,939	37,636	19,060
<b>Total assets</b>	<b>\$ 2,504,059</b>	<b>\$ 2,535,337</b>	<b>\$ 2,643,024</b>
Debt	1,472,117	1,515,663	1,547,746
Other liabilities	85,945	100,516	118,848
Stockholders' equity	945,997	919,158	976,430
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,504,059</b>	<b>\$ 2,535,337</b>	<b>\$ 2,643,024</b>



## Other Financial / Fleet Data

OTHER FINANCIAL DATA	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Net cash from operating activities	\$ 4,824	\$ 5,024	\$ 39,457	\$ 40,641
Net cash (used in)/from investing activities	\$ (50,574)	\$ (17,442)	\$ (53,056)	\$ (49,526)
Net cash (used in)/from financing activities	\$ (15,636)	\$ 15,988	\$ (10,816)	\$ (36,710)
TCE per ship per day	\$ 16,602	\$ 14,055	\$ 17,152	\$ 16,146
Operating expenses per ship per day	\$ 7,663	\$ 7,681	\$ 7,825	\$ 7,663
Vessel overhead costs per ship per day	\$ 1,136	\$ 1,086	\$ 1,135	\$ 1,189
	8,799	8,767	8,960	8,852
<b>FLEET DATA</b>				
Average number of vessels during period	48.0	47.7	48.0	47.7
Number of vessels at end of period	48.0	48.0	48.0	48.0
Average age of fleet at end of period	Years 7.8	6.8	7.8	6.8
Dwt at end of period (in thousands)	5,073	5,073	5,073	5,073
Time charter employment - fixed rate	Days 1,256	930	3,620	2,540
Time charter employment - variable rate	Days 1,399	1,675	4,196	5,192
Period employment (pool and coa) at market rates	Days 388	577	1,458	1,992
Spot voyage employment at market rates	Days 1,084	1,082	3,187	2,973
Total operating days	4,127	4,264	12,461	12,697
Total available days	4,416	4,384	13,152	13,015
Utilization	93.5%	97.3%	94.7%	97.6%
Utilization (excluding <i>La Madrina</i> and <i>La Prudencia</i> )	97.5%		97.6%	

TCE represents voyage revenue less voyage expenses. Commission is not deducted.

Operating expenses per ship per day exclude the vessel bare-boat chartered out.

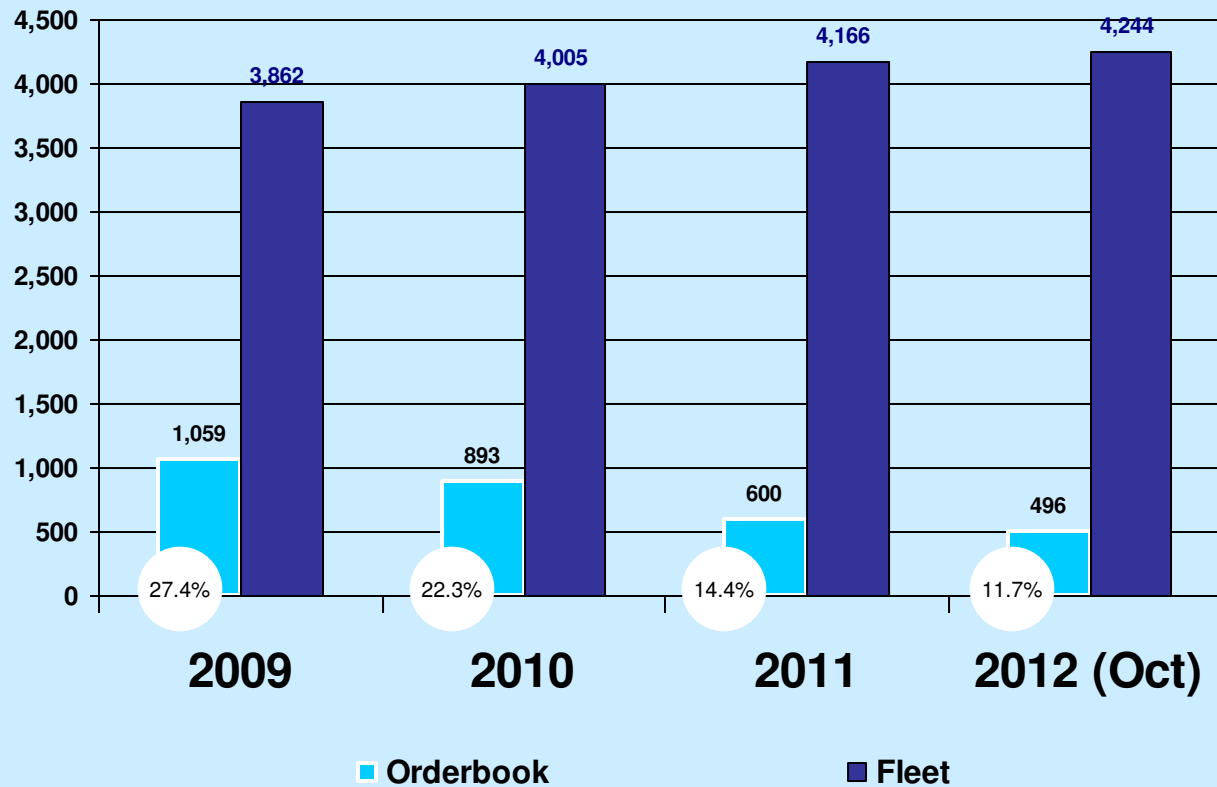
Vessel overhead costs include Management fees, General & Administrative expenses and Stock compensation expense.

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.



## APPENDIX : World Tanker Fleet vs. Newbuilding Orderbook



Source: Clarkson Research Services - October 2012



# TSAKOS ENERGY NAVIGATION, LTD

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