



TEN Ltd

Tsakos Energy Navigation



November 21, 2014

Q3 & 9mo 2014 Earnings Conference Call



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Corporate Facts

- ❑ 63 vessels (pro forma)
 - ⇒ 50 in operation
 - ⇒ 9 x Aframax crude carriers under construction (w/employment)
 - ⇒ 2 x LR1 product tankers under construction (w/employment)
 - ⇒ 1 x Shuttle tanker under construction (w/employment)
 - ⇒ 1 x LNG under construction
- ❑ 100% double hull vs. 97% of world fleet
- ❑ Average fleet age (11/14): 7.4 years vs. 9.3 of world fleet
- ❑ 21 vessels with ice-class capabilities
- ❑ \$4.3 billion investment in 71 newbuildings since 1997 (including current orders)
- ❑ 33 vessels with secured employment
- ❑ Active fleet utilization in Q3 & 9mo 2014 at 97.4% and 97.8% respectively
- ❑ 49% of 2015 and 30% 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 upcoming November and Q1 2015 payment, total \$9.935/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





9mo 2014 Highlights

- ❑ For the nine-month 2014 period, net income of \$20.0 million or \$0.18 per diluted share, compared to a \$1.9 million loss for the same period in 2013. \$5.2 million net income for the third quarter or \$0.04 per diluted share, compared to a \$1.4 million loss in the third quarter of 2013
- ❑ Nine months operating income increased 67.2% to \$46.8 million versus the prior year period. Third Quarter operating income up 43.3% to \$13.8 million versus the prior year period – Nine months EBITDA at \$124.1 million, 20.0% higher from same period in 2013
- ❑ Healthy liquidity position at \$213.0 million of cash at end of the nine months 2014
- ❑ Pro-forma fleet of 63 vessels, totaling 6.6 million dwt, consisting of 44 tankers for trade in the crude space, three shuttle tankers, 14 tankers carrying products and two LNG vessels, including one tri-fuel 174,000m³ LNG carrier under construction.
- ❑ 31 vessels benefiting from very strong spot tanker rates triggered by the reduction in the price of oil
- ❑ Total contracted coverage in excess of \$0.8 billion with average charter of 2.5 years
- ❑ Newbuilding program of nine aframax crude carriers, two LR1 product carriers and one shuttle tanker all under long-term contracts with a potential gross revenue generation, if options exercised, of approximately \$1.25 billion
- ❑ Timely acquisition of two modern suezmax crude tankers, delivered mid-June and early July
- ❑ Crude price drop and dollar strength materially benefits TEN's bottom line
- ❑ Common stock dividend of \$0.05 per share to be paid on November 25, 2014 and \$0.06 dividend payment in Q1 2015



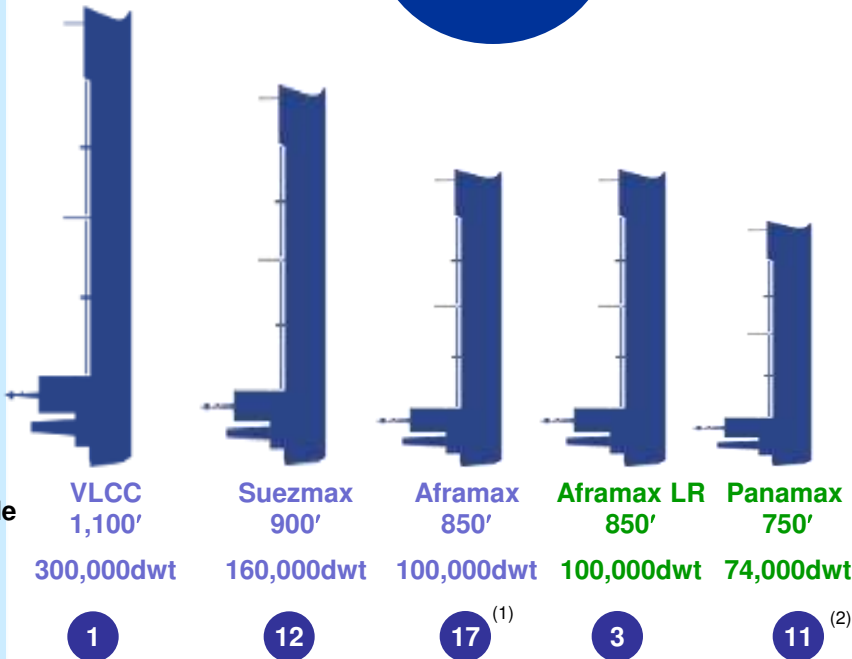
Fleet Composition – 63 vessels (pro-forma)



One World Trade
1,775'

CRUDE TRADING

44
5.3m dwt



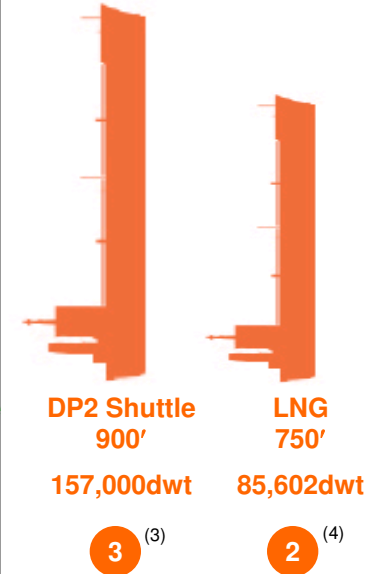
PRODUCTS

14
0.6m dwt



DP2/LNG

5
0.7m dwt



Sophisticated, multi-purpose fleet addresses all customer needs

(1) Includes nine vessels under construction for Statoil business

(2) Includes two LR1 vessels under construction

(3) DP2 shuttles built with coated tanks but currently operate in crude trades – Includes one shuttle tanker under construction and excludes an option for a second newbuilding

(4) Includes one LNG carrier (Maria Energy) under construction



Fleet Details (as of November 21, 2014)

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

(1) 51% ownership

Note (1): Four of the Aframax newbuildings may have ice-class designations

Note (2):



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%




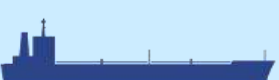
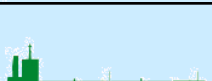

Long-term, blue-chip, recurring customer base consisting of major global energy companies

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

Net Income Breakeven (Q3) vs. Market

| | | | |
|----|--------------|---|----------|
| 1 | VLCC |  | \$15,000 |
| 12 | SUEZMAX |  | \$19,000 |
| 17 | AFRAMAX |  | \$18,000 |
| 3 | AFRAMAX LR2 |  | \$18,500 |
| 11 | PANAMAX LR1 |  | \$16,500 |
| 6 | HANDYMAX MR |  | \$16,000 |
| 8 | HANDYSIZE MR |  | \$13,500 |
| 2 | LNG |  | \$28,000 |
| 3 | DP2 SHUTTLE |  | \$28,500 |

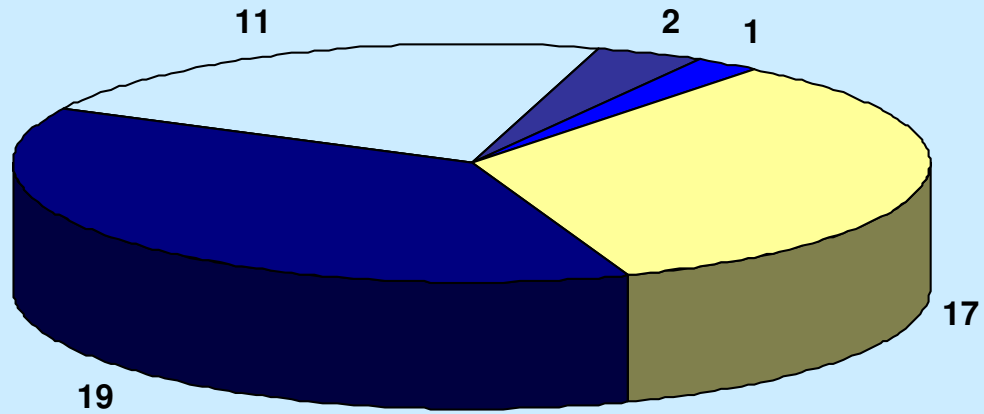
Average Tanker Rates On The Rise...

| Av. Tanker Spot Rates | |
|-----------------------|----------|
| VLCC | \$51,049 |
| Suezmax | \$87,701 |
| Aframax | \$48,589 |
| LR2 | \$28,363 |
| LR1 | \$15,535 |
| MR/Handy | \$21,508 |

Source: ICAP Shipping Daily Tanker Report, 11/20/2014



Employment Details (as of November 21, 2014)



■ TC (Fixed)

■ TC (P/S)

■ CoA (Spot Related)

■ Pool (Spot Related)

■ Spot

Secured Employment (33 vessels)

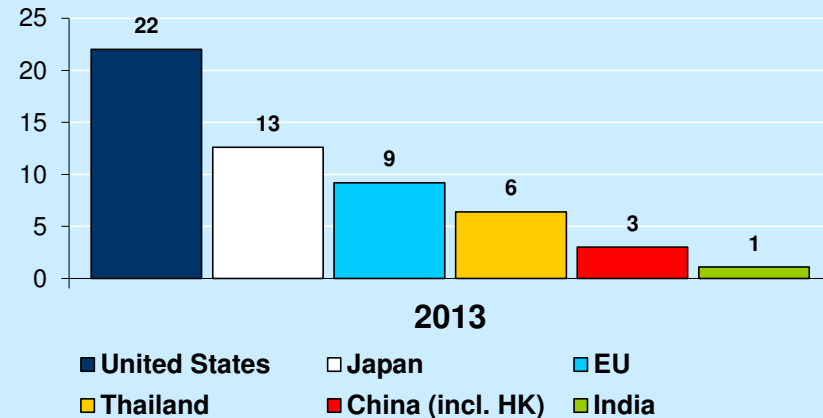
Flexible Employment (31 vessels)



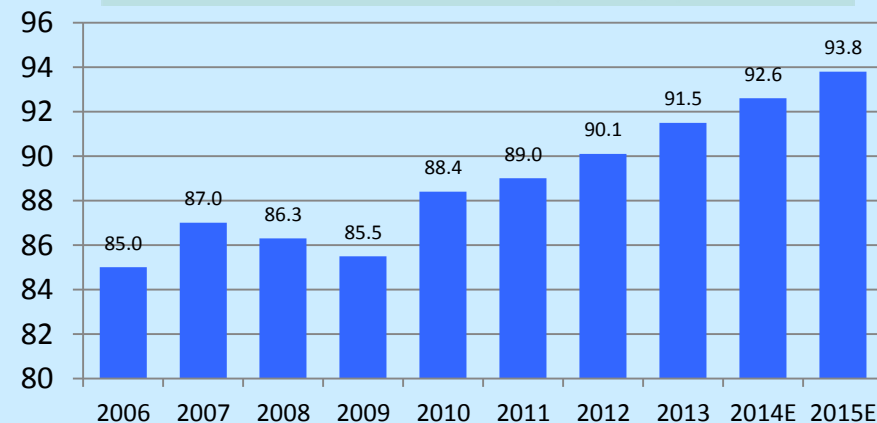
Positive Market Outlook

- ❑ 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 +2.0% to 10.3mbpd. India expected growth for 2014 +2.4% to 3.9mbpd
- ❑ Oil demand expected to remain positive in the non-OECD (forecasted up 2.7% for 2014) and may become positive in the OECD as the economic recovery continues
- ❑ IEA expects oil demand to continue growing in 2014 and 2015 => 92.6mbpd +0.9 mbpd over 2013 and 93.8 mbpd in 2015, +1.2mbpd over 2014
- ❑ Crude oil tankers entering healthy territory and products remain stable
- ❑ Global activity continues to strengthen. IMF expects global GDP to grow to 3.4% in 2014 and 4.0% in 2015 from 3.2% in 2013
- ❑ The newbuilding orderbook at low/manageable levels
- ❑ In 2010 the tanker orderbook (vessels over 30K dwt) was at 22.3% of the fleet but in September 2014 it stood at 15.4%

BARRELS OF OIL PER CAPITA PER ANNUM
(Source: BP Statistical Review of World Energy June 2013)



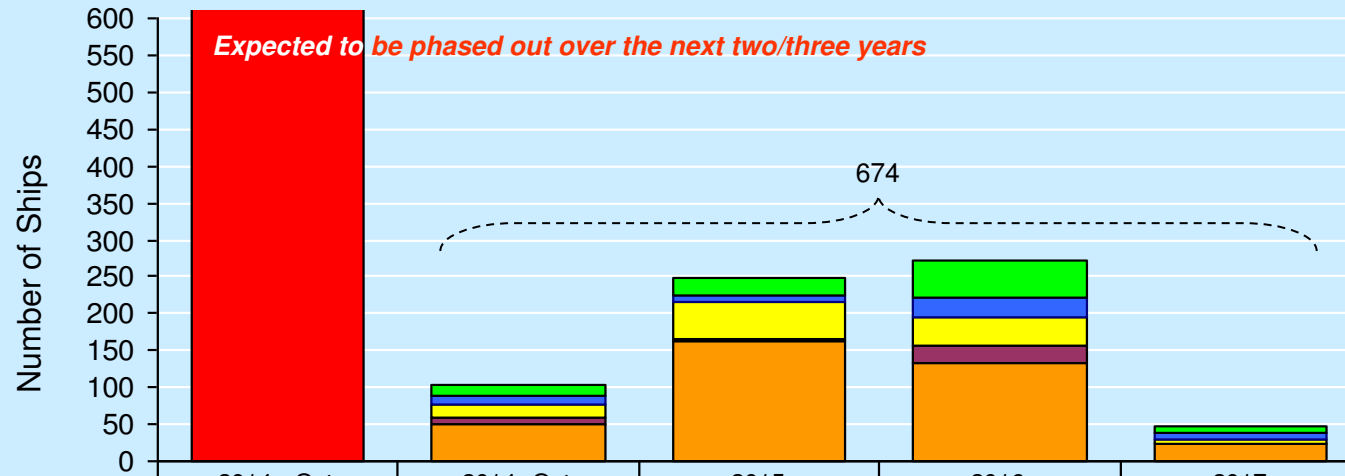
Global Oil Demand (in mbpd)





Tankers over 15 years old vs. Delivery Schedule

- Total Orderbook of 674 tankers (300 of which MR products) vs. 640 vessels (241 of which MR products) in fleet over 15 years of age



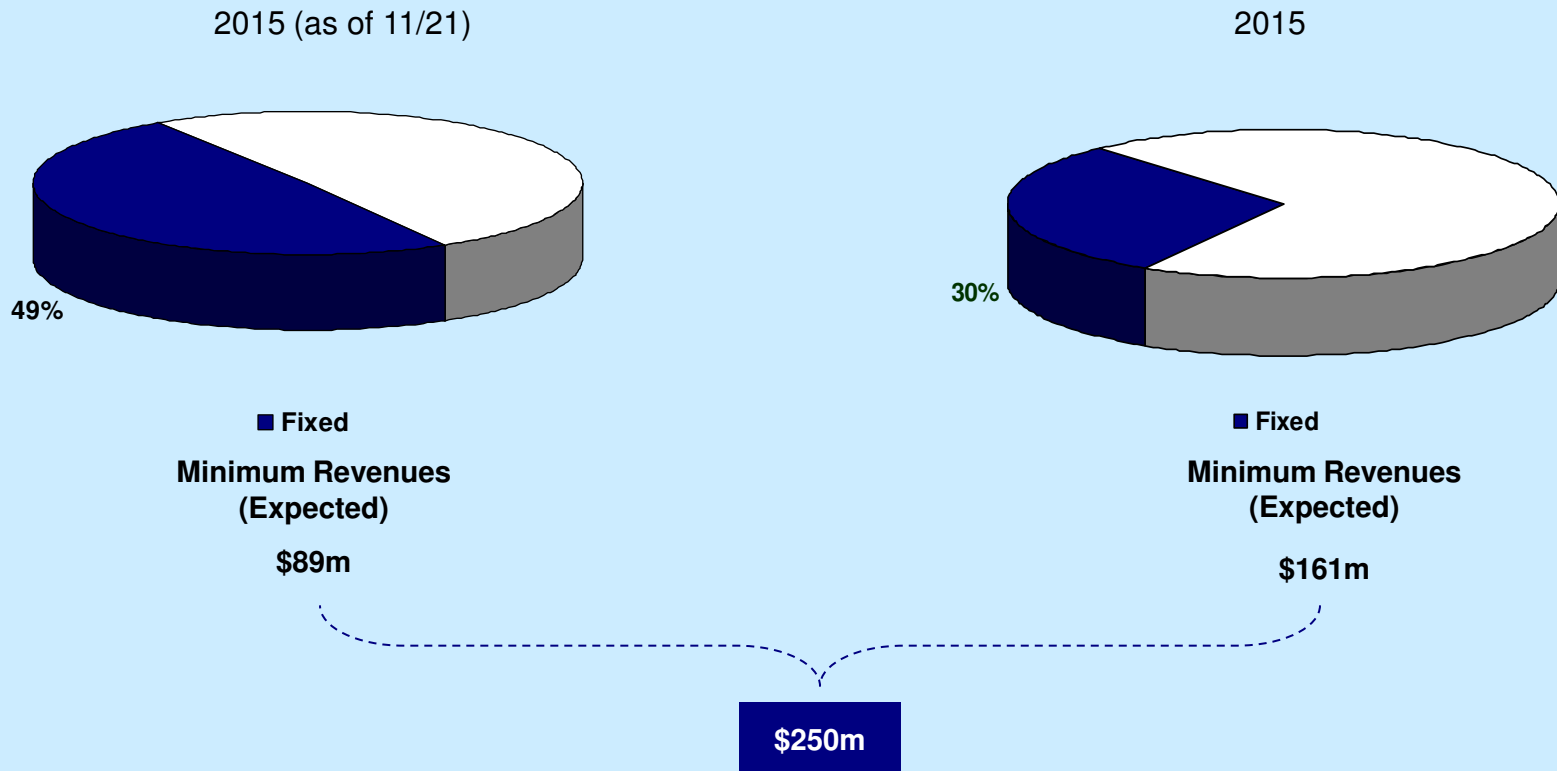
| | 2014 - Oct | 2014- Oct | 2015 | 2016 | 2017 |
|------------|------------|-----------|------|------|------|
| Over 15yrs | 640 | | | | |
| VLCC | | 12 | 23 | 52 | 10 |
| Suezmax | | 12 | 11 | 25 | 8 |
| Aframax | | 18 | 49 | 38 | 5 |
| Panamax | | 9 | 4 | 25 | 1 |
| Handy/MRs | | 51 | 162 | 133 | 23 |

■ Handy/MRs
 ■ Panamax
 ■ Aframax
 ■ Suezmax
 ■ VLCC



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 November 21, 2014 **33** operating vessels with secured chartered employment (profit-share vessels at min. rates) have until end of respective charters:

878 months forward coverage - 2.5 years av. TC - \$800m in expected min. revenues



Sale & Purchase Activity – Capital Gains

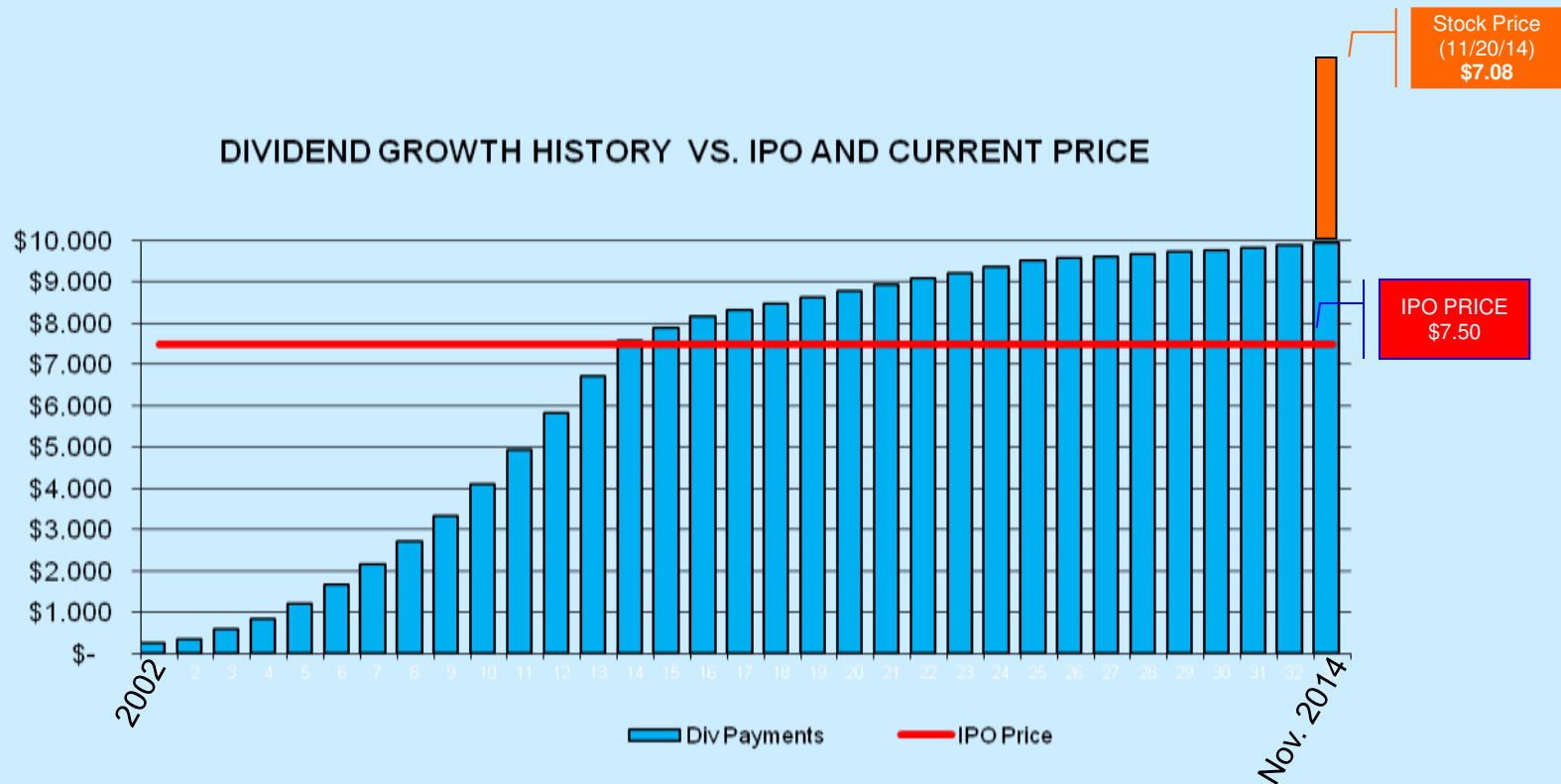
- ❑ Sale & Purchase activity integral to operations – Close to 100 transactions - realizing actual value
- ❑ Timely acquisitions of modern tonnage
- ❑ Since 2003 TEN has generated capital gains from its sale & purchase activity close to \$280 million
- ❑ \$25 million average per year in capital gains since NYSE listing in 2002
- ❑ Unprecedented fleet growth
- ❑ Maintain fleet modernity
- ❑ Sale & Purchase activity integral to operations
- ❑ On average approximately 25% 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 \$9.935/share in dividends (incl. November and early 2015 distributions), 32.4% higher over their original \$7.50 IPO investment plus....
- Close to \$1 billion total net income (since 2002) - \$400 million in dividend distributions





Attractive Valuation – Steep Discount to NAV



All-time High (12/07/2007): \$38.90
All-time Low (12/12/2012): \$3.19

NAV (Sep 30, 2014) (Line items for reference only)

| | |
|---------------------------|---------------------------------------|
| FMV: | \$1.9 billion |
| Cash: | \$213 million |
| NB Advance + Extra Value: | <u>\$211 million</u> \$2.3 billion |
| Liabilities: | \$1.4 billion |
| Common Shares: | 84.7 million |
| NAV (Fair Value): | \$9.57/share |
| NAV (Book Value): | \$12.68/share |

Analyst Coverage (November 2014):

1. Morgan Stanley Overweight
2. Wells Fargo Outperform
3. UBS Buy
4. Jefferies Buy
5. DnB Buy
6. Canaccord Buy
7. Clarksons Buy
8. Stifel Buy
9. MLV Buy
10. EuroPacific Buy
11. GMP Buy

Average Analyst Target Price: \$10.69



Income Statement

| STATEMENT OF OPERATIONS DATA | Three months ended September 30 | | Nine months ended September 30 | |
|---|------------------------------------|-------------------|-----------------------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Voyage revenues | \$ 120,881 | \$ 107,564 | \$ 363,565 | \$ 313,348 |
| Commissions | 4,565 | 4,166 | 13,662 | 12,018 |
| Voyage expenses | 33,837 | 29,557 | 102,516 | 86,501 |
| Vessel operating expenses | 37,182 | 32,823 | 108,556 | 97,054 |
| Depreciation | 25,179 | 24,571 | 72,716 | 70,767 |
| Amortization of deferred dry-docking costs | 1,354 | 1,298 | 3,985 | 3,708 |
| Management fees | 4,190 | 4,019 | 12,262 | 11,845 |
| General and administrative expenses | 1,000 | 1,208 | 3,268 | 3,311 |
| Stock compensation expense | 142 | 0 | 142 | 0 |
| Foreign currency losses/(gains) | (406) | 267 | (358) | 144 |
| Total expenses | 107,043 | 97,909 | 316,749 | 285,348 |
| Operating income | 13,838 | 9,655 | 46,816 | 28,000 |
| Interest and finance costs, net | (9,337) | (10,856) | (27,432) | (30,875) |
| Interest income | 188 | 142 | 302 | 300 |
| Other, net | 498 | (682) | 247 | (378) |
| Total other expenses, net | (8,651) | (11,396) | (26,883) | (30,953) |
| Net Income/(loss) | 5,187 | (1,741) | 19,933 | (2,953) |
| Less: Net loss/(income) attributable to the noncontrolling interest | 29 | 379 | 48 | 1,085 |
| Net Income/(loss) attributable to Tsakos Energy Navigation Limited | \$ 5,216 | \$ (1,362) | \$ 19,981 | \$ (1,868) |
| Effect of preferred dividends | (2,109) | (1,000) | (6,328) | (1,567) |
| Net Income/(loss) attributable to common stockholders of Tsakos Energy Navigation Limited | \$ 3,107 | \$ (2,362) | 13,653 | (3,435) |
| Earnings/(loss) per share, basic and diluted | \$ 0.04 | \$ (0.04) | \$ 0.18 | \$ (0.06) |
| Weighted average number of common shares, basic and diluted | 84,705,556 | 56,614,752 | 77,227,931 | 56,501,037 |



Balance Sheet

| BALANCE SHEET DATA | September 30 2014 | December 31 2013 | September 30 2013 |
|---|------------------------------|-----------------------------|------------------------------|
| Cash | 213,023 | 171,764 | 173,094 |
| Other assets | 94,201 | 80,546 | 82,813 |
| Vessels, net | 2,223,125 | 2,173,068 | 2,223,546 |
| Advances for vessels under construction | 155,151 | 58,521 | 57,997 |
| Total assets | \$ 2,685,500 | \$ 2,483,899 | \$ 2,537,450 |
| Debt | 1,421,037 | 1,380,298 | 1,404,234 |
| Other liabilities | 90,437 | 105,938 | 113,751 |
| Stockholders' equity | 1,174,026 | 997,663 | 1,019,465 |
| Total liabilities and stockholders' equity | \$ 2,685,500 | \$ 2,483,899 | \$ 2,537,450 |





Other Financial / Fleet Data

| OTHER FINANCIAL DATA | | Three months ended | | Nine months ended | |
|--|-------|--------------------|-------------|-------------------|--------------|
| | | September 30 | | September 30 | |
| | | 2014 | 2013 | 2014 | 2013 |
| Net cash from operating activities | \$ | 33,932 | \$ 31,668 | \$ 60,801 | \$ 104,230 |
| Net cash used in investing activities | \$ | (108,498) | \$ (15,578) | \$ (219,286) | \$ (142,779) |
| Net cash from financing activities | \$ | 49,519 | \$ 10,114 | \$ 200,928 | \$ 61,575 |
| TCE per ship per day | \$ | 19,455 | \$ 18,018 | \$ 20,087 | \$ 18,065 |
| Operating expenses per ship per day | \$ | 8,095 | \$ 7,483 | \$ 8,165 | \$ 7,635 |
| Vessel overhead costs per ship per day | \$ | 1,161 | \$ 1,184 | \$ 1,179 | \$ 1,173 |
| | | 9,256 | 8,667 | 9,344 | 8,808 |
| FLEET DATA | | | | | |
| Average number of vessels during period | | 49.9 | 48.0 | 48.7 | 47.3 |
| Number of vessels at end of period | | 50.0 | 48.0 | 50.0 | 48.0 |
| Average age of fleet at end of period | Years | 7.4 | 6.8 | 7.4 | 6.8 |
| Dwt at end of period (in thousands) | | 5,102 | 4,786 | 5,102 | 4,786 |
| Time charter employment - fixed rate | Days | 1,866 | 1,792 | 5,423 | 4,821 |
| Time charter employment - variable rate | Days | 828 | 1,072 | 2,436 | 3,175 |
| Period employment (pool and coa) at market rates | Days | 258 | 123 | 834 | 398 |
| Spot voyage employment at market rates | Days | 1,522 | 1,359 | 4,303 | 4,280 |
| Total operating days | | 4,474 | 4,346 | 12,996 | 12,674 |
| Total available days | | 4,593 | 4,416 | 13,295 | 12,923 |
| Utilization | | 97.4% | 98.4% | 97.8% | 98.1% |



TSAKOS ENERGY NAVIGATION, LTD

For more information please contact:

Paul Durham:

Chief Financial Officer
pdurham@tenn.gr

George Saroglou:

Chief Operating Officer
gsaroglou@tenn.gr

Harrys Kosmatos:

Corporate Development Officer
hkosmatos@tenn.gr

Tsakos Energy Navigation, Ltd
367 Syngrou Avenue
Athens 175 64
Greece

Tel: +30210 94 07 710
Fax: +30210 94 07 716
Email: ten@tenn.gr

