



**TSAKOS ENERGY NAVIGATION LIMITED**  
**(TEN)**

367 Syngrou Avenue, 175 64 P. Faliro, Hellas

**Tel:** 30210 94 07 710-3, **Fax:** 30210 94 07 716, **e-mail:** [ten@tenn.gr](mailto:ten@tenn.gr)

**Website:** <http://www.tenn.gr>

Press Release  
November 6, 2015

**TSAKOS ENERGY NAVIGATION REPORTS STRONG THIRD QUARTER AND  
NINE MONTHS 2015 FINANCIAL RESULTS**

*Eightfold increase of Q3 2015 net income to \$40.0 million*

*33% increase in common share dividend distributions from Q1 2016*

**NINE MONTHS AND RECENT HIGHLIGHTS**

- Net income for the first nine months of 2015 of \$118.6 million (\$1.28 per share) compared to \$20.0 million (\$0.18 per share) for the first nine months of 2014, a sixfold increase
- Net income in the third quarter 2015 of \$40.0 million (\$0.42 per basic and diluted share) compared to \$5.2 million (\$0.04 per basic and diluted share) in third quarter 2014, an eightfold increase
- Adjusted EBITDA of \$217.4 million for the first nine months of 2015 against \$124.1 million in the 2014 first nine months, a 75.1% increase
- Adjusted EBITDA of \$69.1 million for the third quarter 2015 against \$41.1 million in the 2014 third quarter, a 68.3% increase
- Time charter equivalent increased by 38.1% to \$25,462 per day in third quarter 2015 versus \$18,435 per day in third quarter 2014 - Operating expenses for first nine months of 2015 at \$8,077 per day versus \$8,138 per day in the first nine months of 2014.
- Full fleet utilization of 98.0% for first nine-months
- Total pro forma fleet contracted revenue at minimum \$1.5 billion with average contract duration 2.6 years
- Acquisition of two modern suezmax tankers with delivery in November 2015 and early 2016 and of two VLCC newbuilding resales with delivery in first half and second half of 2016. Sale of two older vessels, a product carrier and a suezmax tanker realizing a \$2.1 million capital gain
- 15-vessel newbuilding program 12 of which already on long-term contracts
- Pro-forma fleet of 65 vessels, totaling 7.2 million dwt, consisting of 47 tankers for trade in the crude space, three shuttle tankers, 13 tankers carrying products and two LNG vessels

- Dividend of \$0.06 per common share paid on September 10, 2015, \$0.06 per common share declared for payment on December 15, 2015 to be followed by a 33% increase to \$0.08 per common share from the first quarter 2016
- Management related entities continue to increase their shareholding in TEN confirming confidence in the overall tanker market

**Athens, Greece – November 6, 2015**--Tsakos Energy Navigation Limited (TEN) (NYSE: TNP) (the “Company”) today reported results (unaudited) for the quarter and nine months ended September 30, 2015.

### **THIRD QUARTER 2015 RESULTS**

Revenues, net of voyage expenses (bunker, port expenses and commissions) in the customarily seasonally weak quarter, totaled \$109.9 million, a 33.2% increase over the same quarter of 2014, slightly lower from the second quarter 2015, due to the sale of two vessels, but still indicative of a strong market for crude oil tankers as low oil prices continued to encourage high demand, boosting freight rates and keeping fuel costs down. TEN’s product carriers also performed well in the spot market obtaining rates significantly higher than in the third quarter of 2014.

Earnings before interest, depreciation and amortization (adjusted EBITDA) amounted to \$69.1 million compared to \$41.1 million adjusted EBITDA in the third quarter of 2014. Apart from two vessels undergoing scheduled dry-dockings, all the fleet’s vessels generated positive EBITDA in the third quarter of 2015.

In the third quarter of 2015, TEN’s net income amounted to \$40.0 million compared to \$5.2 million in the third quarter of 2014, an almost eightfold increase. Diluted and basic earnings per share amounted to \$0.42 after taking into account the effect of \$4.0 million in preferred stock dividends.

Despite a mild seasonal downturn and protracted refinery maintenance around the world, TEN’s fleet operated at near full utilization at 97.0% after taking account of four dry-dockings. TEN operated a fleet of 48.3 vessels on average in the third quarter of 2015, compared to 49.9 vessels in the second quarter of 2014, the reductions being the disposal of one 2002-built suezmax tanker (*Triathlon*) and one 2004-built handysize product carrier (*Delphi*). These sales generated free cash of \$19.6 million net of related debt repayments.

The average daily time charter equivalent (TCE) rate (voyage revenue less voyage expenses) was \$25,462 compared to \$18,435 average TCE earned in the third quarter of 2014, a 38.1% improvement.

Total operating expenses declined to \$35.9 million in the third quarter of 2015 from \$36.8 million in the third quarter of 2014 due to the disposal of the two vessels and the 16% appreciation of the US dollar versus the Euro since the third quarter of 2014, which benefitted crew expenses and cost of repairs undertaken in Europe. This was offset in part by expenditure on increased dry-dockings during the quarter.

Depreciation and dry-docking amortization costs declined by \$0.4 million from the 2014 third quarter primarily due to the sale of the two vessels.

G&A costs, which include management fees, fell 10% from the 2014 third quarter, to \$4.8 million keeping the Company's overhead cost amongst the most competitive in the industry.

Operating income for the third quarter amounted to \$45.1 million, more than tripled from the 2014 third quarter, mostly due to increased revenue.

Interest and finance costs amounted to \$5.1 million in the third quarter of 2015 compared to \$9.3 million in the third quarter of 2014. Finance costs were down due to improved bunker and interest swap valuations, offset in part by actual cash payments on those swaps. Also, TEN as part of its refinancing program for debt approaching maturity, earned a \$3.2 million gain on the prepayment of a loan at a discount. Net debt to capital at the end of the third quarter 2015 was at 43.7%, while cash balances at September 30, 2015, totaled \$301.2 million.

## **NINE MONTHS 2015 RESULTS**

TEN achieved net income of \$118.6 million in the first nine months of 2015, a nearly six fold increase from the \$20.0 million reported in the first nine months of 2014. Operating income for the same period was \$140.0 million compared to \$46.8 million in the first nine months of 2014. TEN's diversified fleet of modern vessels was fully able to take advantage of the strong worldwide demand for oil, which existed throughout the period due to the depressed price of oil. The average daily time charter equivalent rate per vessel during the first nine months was \$25,928, compared to \$19,036 in the first nine months of 2014, a 36.2% increase.

Vessel operating expenses for the first nine-month period totaled \$109.0 million, similar to the equivalent period of 2014. Daily operating costs per vessel for the first nine months fell by nearly 1% to \$8,077.

Earnings before interest, depreciation and amortization (adjusted EBITDA) amounted to \$217.4 million in the first nine months of 2015 compared to \$124.1 million in the same period of 2014, a 75.1% increase.

Depreciation and dry-docking amortization costs amounted to \$79.4 million after taking into consideration the addition in mid-2014 of the suezmax tankers *Euro* and *Eurovision* offset slightly by the sale of the two vessels (*Delphi* and *Triathlon*) this July. General and administrative expenses totaled \$16.7 million, an increase over the first nine months of 2014 due to the incentive award in the first quarter offset by reduced administration expenses.

Interest and finance costs decreased to \$21.5 million from \$27.4 million in the first nine months of 2015 mainly due to a reduced average outstanding loans balance, lower interest rate margins, the maturity of an interest rate swap in 2014, and improved bunker hedge valuations plus the impact of the gain on a prepaid loan mentioned above.

## **Dividend – Common Shares**

The Company paid a dividend of \$0.06 per common share on September 10, 2015 to shareholders of record as of September 3, 2015. The Company also declared a further dividend of \$0.06 per common share for payment on December 15, 2015 to shareholders of record as of December 9, 2015. The Company recently announced a 33% increase in the quarterly dividend to \$0.08 per common share to be applied at the first dividend payment in the first quarter of 2016. Inclusive of the two distributions (September and December 2015), TEN will have

distributed \$10.115 per share in total dividends to its common shareholders since the Company was listed on the NYSE in March 2002.

### **Operational Activities**

On November 5, 2015, the Company took delivery of a 2012-built suezmax tanker acquired in July 2015. Upon delivery, the vessel, to be named *Pentathlon*, commenced operations in the spot market to take advantage of the current strength in rates. The second suezmax, to be named *Decathlon*, is expected to be delivered to the Company in early 2016. The two VLCC newbuildings, to be named Ulysses and Hercules will be delivered in Q1 and Q4 2016. In October the Company chartered four vessels with an average contract duration of 36 months thus increasing its secured employment of the fleet for 2016 to 52%.

Together with the above mentioned charters, the Company's total minimum contracted revenues, exceed to \$1.5 billion.

### **Corporate Strategy**

The third quarter despite being the seasonal slow quarter of the year, exhibited strength and confirmed signs of a prolonged market firmness and rate sustainability. In addition, during that period, attractive time charter rates for longer periods started to underline that market firmness, which enabled management to consider the conversion of a number of spot contracts into longer term fixtures many of which with profit sharing provisions and at levels not abundantly available in the recent past.

With spot or spot related exposure still at high levels (by design), management will continue to opportunistically and selectively evaluate its options as regards longer term fixtures. Accordingly, management will shuffle the employment mixture of the fleet in order to maintain a firm footprint on current market conditions, while securing a healthy stream of cash flows in and safeguarding the Company's dividend going forward.

With nine newbuildings, delivering in 2016, eight of which are on long term contracts to top class oil majors, the overall secured contract coverage of the fleet will gradually increase. However, the Company's immediate spot exposure will continue to remain high with adjustments as management deems appropriate in light of market changes, which may be determined by the price of oil, whose precipitous drop a year ago has strongly benefited the Company's bottom line. The Company will continue the opportunistic and profitable divestment of certain assets in order to maintain the modernity of the fleet.

In addition to the above, attention will continue to be paid to projects in the shuttle tanker and LNG sector and management will seek tangible opportunities to responsibly enhance the Company's presence in these two areas as and when attractive opportunities arise.

"The long term strength of the tanker market is clearly apparent in what is seasonally a slow quarter. Our vessels enjoyed firm rates in the spot market and operated at almost full utilization. At the same time, major end users continue to offer long term employment at firm rates which we will seriously consider," Mr. Nikolas P. Tsakos, President and CEO of TEN commented. "TEN will continue to present an attractive opportunity for those looking for earnings growth and healthy dividends in a framework of a solid balance sheet. An opportunity we as management clearly see by virtue of our continuous share purchases and no share sales irrespective of cycles. A practice that has served us well over the years," Mr. Tsakos concluded.

## **Conference Call**

As previously announced, today, Friday, November 6, 2015 at 10:00 a.m. Eastern Time, TEN will host a conference call to review the 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 the earnings press release.

### **Conference Call details:**

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 November 13, 2015 by dialling 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](http://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](http://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 pro-forma fleet, including two VLCCs, an LNG carrier, nine Aframax crude oil tankers, a Suezmax DP2 shuttle tanker and two LR1 tankers all under construction, consists of 65 double-hull vessels, constituting a mix of crude tankers, product tankers and LNG carriers, totaling 7.2 million dwt. Of these, 47 vessels trade in crude, 13 in products, three are shuttle tankers and two are LNG carriers. All of TEN's tanker newbuildings except the two VLCCs and the LNG carrier Maria Energy, are fixed on long-term project businesses.

## **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.

For further information please contact:

Company

Tsakos Energy Navigation Ltd.

George Saroglou, COO

+30210 94 07 710

[gsaroglou@tenn.gr](mailto:gsaroglou@tenn.gr)

Investor Relations / Media

Capital Link, Inc.

---

Visit our company website at: <http://www.tenn.gr>

**TSAKOS ENERGY NAVIGATION LIMITED AND SUBSIDIARIES**

Selected Consolidated Financial and Other Data

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

STATEMENT OF OPERATIONS DATA	Three months ended		Nine months ended	
	September 30 (unaudited)		September 30 (unaudited)	
	2015	2014	2015	2014
<b>Voyage revenues</b>	\$ 141,736	\$ 120,881	\$ 444,623	\$ 363,565
Voyage expenses	31,869	38,402	101,667	116,178
Vessel operating expenses	35,888	36,776	109,010	108,198
Depreciation and amortization	26,115	26,533	79,360	76,701
General and administrative expenses	4,801	5,332	16,657	15,672
Gain on sale of vessels	(2,078)	-	(2,078)	-
<b>Total expenses</b>	<u>96,595</u>	<u>107,043</u>	<u>304,616</u>	<u>316,749</u>
<b>Operating income</b>	<u>45,141</u>	<u>13,838</u>	<u>140,007</u>	<u>46,816</u>
Interest and finance costs, net	(5,091)	(9,337)	(21,518)	(27,432)
Interest income	72	188	190	302
Other, net	36	498	33	247
<b>Total other expenses, net</b>	<u>(4,983)</u>	<u>(8,651)</u>	<u>(21,295)</u>	<u>(26,883)</u>
<b>Net Income</b>	<u>40,158</u>	<u>5,187</u>	<u>118,712</u>	<u>19,933</u>
Less: Net loss/(income) attributable to the noncontrolling interest	(147)	29	(135)	48
<b>Net Income attributable to Tsakos Energy Navigation Limited</b>	<u>\$ 40,011</u>	<u>\$ 5,216</u>	<u>\$ 118,577</u>	<u>\$ 19,981</u>
Effect of preferred dividends	(3,969)	(2,109)	(9,468)	(6,328)
Net Income attributable to common stockholders of Tsakos Energy Navigation Limited	\$ 36,042	\$ 3,107	109,109	13,653
Earnings per share, basic and diluted	\$ 0.42	\$ 0.04	\$ 1.28	\$ 0.18
Weighted average number of common shares, basic and diluted	<u>86,482,231</u>	<u>84,705,556</u>	<u>85,308,757</u>	<u>77,227,931</u>

**BALANCE SHEET DATA**

	September 30	December 31
	2015	2014
Cash	301,227	214,441
Other assets	109,080	96,548
Vessels, net	2,086,897	2,199,154
Advances for vessels under construction	346,362	188,954
<b>Total assets</b>	<u>\$ 2,843,566</u>	<u>\$ 2,699,097</u>
Debt	1,370,752	1,418,336
Other liabilities	96,577	102,849
Stockholders' equity	1,376,237	1,177,912
<b>Total liabilities and stockholders' equity</b>	<u>\$ 2,843,566</u>	<u>\$ 2,699,097</u>

OTHER FINANCIAL DATA	Three months ended		Nine months ended	
	September 30		September 30	
	2015	2014	2015	2014
Net cash from operating activities	\$ 68,971	\$ 33,932	\$ 166,490	\$ 60,801
Net cash used in investing activities	\$ (14,860)	\$ (108,498)	\$ (91,510)	\$ (219,286)
Net cash (used in)/provided by financing activities	\$ (52,563)	\$ 49,519	\$ 3,389	\$ 200,928
TCE per ship per day	\$ 25,462	\$ 18,435	\$ 25,928	\$ 19,036
Operating expenses per ship per day	\$ 8,070	\$ 8,007	\$ 8,077	\$ 8,138
Vessel overhead costs per ship per day	\$ 1,080	\$ 1,161	\$ 1,234	\$ 1,179
	9,150	9,168	9,311	9,317

#### FLEET DATA

Average number of vessels during period		48.3	49.9	49.4	48.7
Number of vessels at end of period		48.0	50.0	48.0	50.0
Average age of fleet at end of period	Years	8.3	7.4	8.3	7.4
Dwt at end of period (in thousands)		4,899	5,102	4,899	5,102
Time charter employment - fixed rate	Days	1,380	1,866	4,621	5,423
Time charter employment - variable rate	Days	868	828	2,620	2,436
Period employment (pool and coa) at market rates	Days	277	258	694	834
Spot voyage employment at market rates	Days	1,790	1,522	5,292	4,303
Total operating days		4,315	4,474	13,227	12,996
Total available days		4,447	4,593	13,497	13,295
Utilization		97.0%	97.4%	98.0%	97.8%

#### Non-GAAP Measures

##### Reconciliation of Net Income to Adjusted EBITDA

	Three months ended		Nine months ended	
	September 30		September 30	
	2015	2014	2015	2014
Net Income attributable to Tsakos Energy Navigation Limited	40,011	5,216	118,577	19,981
Depreciation and amortization	26,115	26,533	79,360	76,701
Interest Expense	5,091	9,337	21,518	27,432
Gain on sale of vessels	(2,078)	-	(2,078)	-
Adjusted EBITDA	\$ 69,139	\$ 41,086	\$ 217,377	\$ 124,114

---

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management believes that certain non-GAAP measures used within the financial community may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods as well as comparisons between the performance of Shipping Companies. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. We are using the following Non-GAAP measures:

- (i) TCE which represents voyage revenues less voyage expenses divided by the number of operating days.
- (ii) Vessel overhead costs are General & Administrative expenses, which also include Management fees, Stock compensation expense and Management incentive award.
- (iii) Operating expenses per ship per day which exclude Management fees, General & Administrative expenses, Stock compensation expense and Management incentive award.
  
- (iv) EBITDA. See above for reconciliation to net income.

Non-GAAP financial measures should be viewed in addition to and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

The Company does not incur corporation tax.