



**TSAKOS ENERGY NAVIGATION LIMITED**  
**(TEN)**  
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Press Release  
May 12, 2017

## **TEN LTD REPORTS FIRST QUARTER 2017 PROFITS AND DECLARES DIVIDEND**

*\$17.5 million net income for Q1 2017 or \$0.16 earnings per share*

*77% of Fleet on Long-Term Employment*

*\$1.4 billion in minimum contracted future revenues*

### **RECENT HIGHLIGHTS**

- Net income of \$17.5 million or \$0.16 per share.
- EBITDA of \$61.6 million.
- 77% of total fleet on long-term charters with minimum revenues of \$1.4 billion and average charter employment of 2.5 years.
- Maintaining outstanding fleet utilization at 97.2%.
- 4% reduction in vessel daily operating expenses.
- All 15 newbuildings on long-term contracts. Twelve vessels already delivered, three in the next three quarters.
- Pro-forma fleet of 65 vessels, totaling 7.2 million dwt, consisting of 45 tankers that trade in the crude space, three shuttle tankers, 15 tankers carrying products and two LNG vessels.
- Uninterrupted dividend distributions since inception. New dividend of \$0.05 per common share declared for payment on July 14, 2017.

**Athens, Greece – May 12, 2017**-TEN, Ltd (TEN) (NYSE: TNP) (the “Company”) today reported results (unaudited) for the quarter ended March 31, 2017.

### **Q1 2017 Summary Results**

Revenues, net of voyage expenses totaled \$108.2 million, approximately \$8.5 million more than in the first quarter of 2016, in part due to the delivery of new vessels.

Net income in the first quarter 2017 was \$17.5 million, or \$0.16 per share, net of preferred dividends.

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Fleet utilization of 97.2% contributed to higher revenue. TEN has maintained a 95% plus utilization consistently. A remarkable accomplishment in a cyclical industry.

Since the beginning of 2017, TEN has taken delivery of four vessels, namely the VLCC *Hercules I* in January, the aframax crude carriers *Marathon TS* and *Sola TS* in February and April respectively, and its third shuttle tanker, the DP2 *Lisboa* in March, which started its time-charter in May, 2017.

Depreciation and dry-docking amortization costs increased by \$6.1 million due to the introduction of new vessels into the fleet. No vessels were disposed of during the period, although there remains an expectation to sell certain older, for TEN's standards, vessels during the course of the year.

Average daily operating costs per vessel decreased by 4% to \$7,584 from \$7,890 in the first quarter of 2016, mainly as a result of cost effective operations by our affiliated technical managers.

TEN's daily average overhead expense per vessel was reduced by 5% to \$1,139. G&A fell 12% from the first quarter 2016, mainly due to reduced promotional and miscellaneous expenses.

Interest and finance costs totaled \$11.9 million, an increase over the first quarter of 2016 mainly due to reduced capitalized interest upon the completion of new vessels, increased indebtedness due to those new vessels and increases in the LIBOR rate, offset partly by gains on interest rate swaps.

Cash balances amounted to \$160.1 million as of March 31, 2017. TEN's balance sheet has been further strengthened with \$115.0 million gross proceeds from an offering of preferred shares which closed in April.

Net debt to capital at March 31, 2017 was 54%. Earnings before interest, depreciation and amortization (EBITDA) in the first quarter of 2017 amounted to \$61.6 million. All vessels generated a positive EBITDA, except for two vessels undergoing dry-docking in the period.

“TEN posted another profitable quarter in a challenging market environment. This is the best proof of management's performance in executing a clearly defined strategy that takes into account the numerous and very complex parameters at play. Prudence and early preemptive action, together with ever increasing efficiency in managing costs, allows TEN to produce steady sustainable earnings and best in class results,” Mr. Takis Arapoglou, Chairman of the Board stated. “This has been a steady pattern throughout the 24 years since TEN's inception, allowing it to navigate effectively and efficiently through all business cycles, to consistently reward its shareholders, while adhering to strict corporate governance guidelines and adapting to evolving regulatory environments. Today, TEN has a fleet of 65 modern vessels, covering the whole spectrum from conventional crude and product tankers to higher value added DP shuttle tankers and LNG carriers. This unique fleet profile reflects TEN's strategy to offer one platform serving all the needs of its prestigious client base. This new industrial model ensures stability, sustainable earnings and continued value creation for the shareholders,” Mr. Arapoglou concluded.

## **Dividend – Common Shares**

The Company will pay a dividend of \$0.05 per common share on July 14, 2017 to shareholders of record as of July 11, 2017. Inclusive of this payment, TEN will have distributed a total of \$10.51 per share in uninterrupted dividends to its common shareholders since the Company's listing on the NYSE in March 2002.

## **Strategy & Outlook**

As expected, oil barrels from Nigeria, Libya, Iran and the rejuvenation of the US shale industry is filling the void the OPEC (and non-OPEC) cuts have created in the markets. As a result, oil prices continue to remain at attractive levels to stimulate global demand and by extension seaborne tanker trade. With oil prices at attractive levels and a low orderbook environment, we expect a long term upward momentum in freight rates. TEN, with the majority of the fleet in secured and flexible contracts and a notable presence in the spot market, would be a prime beneficiary of this expected uplift.

In line with the programmed deliveries, in January 2017 the VLCC *Hercules I* was delivered from Hyundai Heavy Industries in South Korea and was subsequently chartered for a period of up to 18 months. In February and April 2017, the aframax tankers *Marathon TS* and *Sola TS* were delivered from Daewoo Mangalia Heavy Industries, the fifth and sixth in a series of nine aframax built against long-term contracts. In March 2017, the Company took delivery of its third DP2 shuttle tanker *Lisboa* from Sungdong Shipbuilding in South Korea. The vessel was built against an eight year contract, with an option to extend to eleven years. In addition, the Company recently initiated a strategic partnership with a major US oil company starting with the chartering of three suezmaxes and one VLCC.

TEN's 15-vessel newbuilding program is nearing completion with the final three aframax tankers expected to be delivered in the coming months. In the second half of the year, with all vessels delivered and 77% of the fleet on full utilization contracts, TEN's industrial shipping strategy will be at full throttle.

## **Conference Call:**

As previously announced, today, Friday, May 12, 2017 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 that which 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 Friday, May 19, 2017 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

TEN, founded in 1993, is one of the first and most established public shipping companies in the world today. TEN's pro-forma fleet, including three Aframax tankers under construction, consists of 65 double-hull vessels, constituting a mix of crude tankers, product tankers and LNG carriers, totalling 7.2 million dwt. Of these, 45 vessels trade in crude, 15 in products, three are shuttle tankers and two are LNG carriers.

## COMPANY'S GROWTH TIME-TABLE

#	Vessel Name	Type	Dwt	Delivery	Status	LT Contracts
1	<b>Ulysses</b>	<b>VLCC</b>	<b>300,000</b>	<b>May 2016</b>	<b>Delivered</b>	<b>Yes</b>
2	<b>Elias Tsakos</b>	<b>Aframax</b>	<b>112,700</b>	<b>June 2016</b>	<b>Delivered</b>	<b>Yes</b>
3	<b>Thomas Zafiras</b>	<b>Aframax</b>	<b>112,700</b>	<b>Aug 2016</b>	<b>Delivered</b>	<b>Yes</b>
4	<b>Leontios H</b>	<b>Aframax</b>	<b>112,700</b>	<b>Oct 2016</b>	<b>Delivered</b>	<b>Yes</b>
5	<b>Parthenon TS</b>	<b>Aframax</b>	<b>112,700</b>	<b>Nov 2016</b>	<b>Delivered</b>	<b>Yes</b>
6	<b>Sunray</b>	<b>Panamax LR1</b>	<b>74,200</b>	<b>Aug 2016</b>	<b>Delivered</b>	<b>Yes</b>
7	<b>Sunrise</b>	<b>Panamax LR1</b>	<b>74,200</b>	<b>Sep 2016</b>	<b>Delivered</b>	<b>Yes</b>
8	<b>Maria Energy</b>	<b>LNG</b>	<b>93,616</b>	<b>Oct 2016</b>	<b>Delivered</b>	<b>Yes</b>
9	<b>Hercules I</b>	<b>VLCC</b>	<b>300,000</b>	<b>Jan 2017</b>	<b>Delivered</b>	<b>Yes</b>
10	<b>Marathon TS</b>	<b>Aframax</b>	<b>112,700</b>	<b>Feb 2017</b>	<b>Delivered</b>	<b>Yes</b>
11	<b>Lisboa</b>	<b>DP2 Shuttle</b>	<b>157,000</b>	<b>Mar 2017</b>	<b>Delivered</b>	<b>Yes</b>
12	<b>Sola TS</b>	<b>Aframax</b>	<b>112,700</b>	<b>Apr 2017</b>	<b>Delivered</b>	<b>Yes</b>
13	Oslo TS	Aframax	112,700	Q2 2017	TBD	Yes
14	Stavanger TS	Aframax	112,700	Q3 2017	TBD	Yes
15	Bergen TS	Aframax	112,700	Q4 2017	TBD	Yes

LT: Long-Term

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## 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)

<b>STATEMENT OF OPERATIONS DATA</b>	<b>Three months ended March 31, 2017 (Unaudited)</b>
<b>Voyage revenues</b>	\$ 138,242
Voyage expenses	30,083
Vessel operating expenses	40,011
Depreciation and amortization	32,291
General and administrative expenses	6,110
<b>Total expenses</b>	<u>108,495</u>
<b>Operating income</b>	<u>29,747</u>
Interest and finance costs, net	(11,864)
Interest income	118
Other, net	(145)
<b>Total other expenses, net</b>	<u>(11,891)</u>
<b>Net Income</b>	17,856
Less: Net income attributable to the noncontrolling interest	(377)
<b>Net Income attributable to Tsakos Energy Navigation Limited</b>	<u>\$ 17,479</u>
Effect of preferred dividends	(3,969)
Net income attributable to common stockholders of Tsakos Energy Navigation Limited	\$ 13,510
Earnings per share, basic and diluted	\$ 0.16
Weighted average number of common shares, basic and diluted	<u>83,966,533</u>

<b>BALANCE SHEET DATA</b>	<b>March 31 2017</b>
Cash	160,140
Other assets	188,325
Vessels, net	2,909,409
Advances for vessels under construction	100,222
<b>Total assets</b>	<u>\$ 3,358,096</u>
Debt, net of deferred finance costs	1,810,317
Other liabilities	120,963
Stockholders' equity	1,426,816
<b>Total liabilities and stockholders' equity</b>	<u>\$ 3,358,096</u>

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<b>OTHER FINANCIAL DATA</b>	<b>Three months ended March 31 2017</b>	
Net cash from operating activities	\$	54,454
Net cash used in investing activities	\$	(146,636)
Net cash provided by financing activities	\$	50,616
 TCE per ship per day	 \$	 20,917
 Operating expenses per ship per day	 \$	 7,584
Vessel overhead costs per ship per day	\$	1,139
		<u>8,723</u>

#### **FLEET DATA**

Average number of vessels during period		59.6
Number of vessels at end of period		61.0
Average age of fleet at end of period	Years	7.5
Dwt at end of period (in thousands)		6,216
 Time charter employment - fixed rate	 Days	 2,055
Time charter employment - variable rate	Days	1,340
Period employment (pool and coa) at market rates	Days	268
Spot voyage employment at market rates	Days	1,551
Total operating days		<u>5,214</u>
Total available days		5,364
Utilization		97.2%

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
- 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.