



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

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Press Release  
**March 12, 2018**

**TEN LTD REPORTS YEAR-END AND FOURTH QUARTER 2017 PROFITS AND  
DECLARES DIVIDEND OF \$0.05 PER COMMON SHARE**

**TEN Celebrates 25 years as a Public Company – To Ring the Opening Bell at the  
NYSE on March 14, 2018**

**30% Fleet Expansion Successfully Completed**

**15 New Vessels All with Long Term Contracts to Solid Counterparties**

**RECENT HIGHLIGHTS**

- Net income for the year 2017 of \$20.4 million before non-cash items (impairment charges and loss on sale of vessels).
- Net income in the fourth quarter 2017 of \$2.7 million before non-cash items (impairment charges and loss on sale of vessels).
- Strong balance sheet and cash liquidity at \$202.7 million as of December 31, 2017.
- 77% of fleet under secured contracts with \$1.3 billion in minimum revenues and average charter life of 2.6 years.
- Average TCE per vessel at approx. \$19,000 per day outperforms market. Further reductions in vessel daily operating expenses at \$7,688 despite a weak dollar.
- Maintained outstanding fleet utilization at 98% in the fourth quarter 2017.
- 15-vessel newbuilding program successfully completed in Q4 2017.
- Sale of two 2005-built suezmax tankers through a sale and leaseback transaction generating \$15.6 million of free cash.
- Fleet of 65 vessels, totaling 7.2 million dwt, consisting of 47 tankers that trade in the crude space, three shuttle tankers, 13 tankers carrying products and two LNG vessels.
- Dividend of \$0.05 per common share paid in December 2017 and new dividend of \$0.05 per common share declared for payment on May 10, 2018.

**Athens, Greece – March 12, 2018**-TEN, Ltd (TEN) (NYSE: TNP) (the “Company”) today reported results (unaudited) for the fourth quarter and year ended December 31, 2017.

**2017 RESULTS**

Gross revenue amounted to \$529.2 million, a 9.8% increase over 2016, due to the increase of the fleet by seven new vessels on long term attractive contracts.

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EBITDA (Earnings before interest, taxes, depreciation and amortization) totaled \$216.3 million adjusted, while operating income amounted to \$76.3 million before non-cash impairment charges and the loss on the sale of two suezmax vessels through a sale and leaseback transaction. The daily time charter equivalent (TCE) for the fleet (voyage revenue less voyage expenses) averaged \$18,931 for the year, well above the spot market average for 2017, in all categories of vessels we operate.

Net income, excluding the above non-cash items, reached \$20.4 million.

Continuous proactive vessel management together with the scale of our technical managers assisted in reducing daily vessel operating expenses to \$7,688 from \$7,763 in 2016, despite the impact of a weaker US dollar. Efficient cost management also contributed to lower average daily overheads (G&A, management fees) per vessel which experienced a significant drop by 13.4%.

Depreciation and dry-docking amortization costs were \$139.0 million due to fleet growth.

Interest and finance costs reached \$56.8 million due to increased loan expenses and interest on the loans drawn down for the newly delivered vessels to the fleet.

#### **FOURTH QUARTER 2017 RESULTS**

TEN generated gross revenues of \$134.5 million in the fourth quarter of 2017, a 2.9% increase over the \$130.7 million revenue earned in the fourth quarter of 2016, the increase being mainly due to the addition of 7.4 modern vessels, on average, between the two fourth quarters.

Revenues net of voyage expenses (bunker, port expenses and commissions) for the same period were \$106.6 million, a 7.6% increase from the same quarter of 2016 while total voyage expenses declined by 11.8% as more of the fleet's vessels were placed under time-charters.

Net income for the quarter was at \$2.7 million before the non-cash items mentioned above.

During the fourth quarter 2017, the vessels on time charter contracts generated \$90.5 million gross revenue, enough to cover all the operating, overhead and finance costs of the whole fleet. Vessels on spot charters, despite the softness in that market, contributed an additional \$21 million of revenue after bunker and port expenses, indicating that the expected improvement in spot rates, after the majority of the current orderbook delivers, will have a significantly positive impact on TEN's bottom line.

Despite a difficult tanker market due to a temporary surplus vessel capacity and production cuts by leading suppliers, which resulted in market spot rates in several sectors falling to exceptionally low levels, TEN's vessels, which primarily operate under secured contracts, achieved an average daily net revenue per vessel of \$18,343, a comparatively high rate compared to the spot market. During the quarter, the fleet achieved a notable 98% utilization rate.

Operating income before non-cash items came in at \$15.9 million and daily operating expenses per vessel remained at economic levels at \$7,823 despite a 9.3% weakening of the US dollar

against the Euro, which affected crew costs and repair costs. Average daily overheads per vessel (G&A, management fees) fell by 2.9%.

In October 2017, TEN took delivery of the aframax newbuilding *Bergen TS*, bringing to completion the newbuilding program of 15 vessels. The *Bergen TS* immediately started its pre-arranged long-term charter, as with all the preceding newbuildings joining the fleet.

Interest and finance costs in the fourth quarter of 2017 totaled \$13.7 million, an increase over the 2016 fourth quarter partly due to the new financing obtained for the new building program and market increases in the applicable LIBOR rate. This was offset by gains achieved from bunker hedges.

TEN's balance sheet remained strong with cash balances at \$202.7 million as of December 31, 2017. Net debt to capital at December 31, 2017 was at a healthy 50.9%. Adjusted EBITDA in the fourth quarter amounted to \$52.9 million.

### **Other Developments**

On December 21, 2017 TEN sold the 2005-built suezmax tankers, *Euronike* and *Eurochampion 2004* to third-party entities, for \$65.2 million and chartered them back on a bareboat basis for five years as part of a sale and leaseback deal. The sale resulted in a non-cash loss of \$3.9 million, but related debt of \$36.0 million was prepaid leaving \$15.6 million of free cash immediately available.

Following internal impairment tests, our oldest vessels, the 1998-built VLCC *Millennium* and the 2002-built suezmax *Silia T*, were determined to have carrying values in excess of fair value as assessed by independent brokers. Consequently, an impairment charge of \$8.9 million was incurred.

### **Dividend – Common Shares**

The Company will pay a dividend of \$0.05 per common share on May 10, 2018 to shareholders of record as of May 3, 2018. Inclusive of this payment, TEN will have distributed a total of \$10.65 per share in uninterrupted dividends to its common shareholders since the Company's listing on the NYSE in March 2002.

### **Corporate Strategy**

2018 started with TEN operating the largest fleet in its 25 year history, 77% of which in secured contracts averaging 2.6 years with minimum secured revenues of \$1.3 billion. Of the vessels under those fixed contracts, 40% have the ability to capture market upswings through pre-agreed profit sharing provisions which together with the vessels operating in pure spot contracts, empower the Company with significant cash generating muscle when rates firm, expected in mid to late 2018.

TEN continues to position its fleet to safeguard cashflows to meet all 65 vessels' costs and expenses, while having a large enough complement of spot and profit-share chartered vessels have the flexibility to take advantage of rate changes and evolving trading patterns. Management will continue to adapt its chartering policy to conform to these norms and adjust the fleet's employment profile accordingly, but always cognizant of its stated strategy of smoothing market cyclicalities while offering visibility to its investors.

In terms of fleet management, growth opportunities will continue to be explored and assessed provided they do not add undue burden on TEN's balance sheet. Conversely, vessel divestments, particularly relating to our first-generation tankers, will become more important as asset prices recover, as expected, when the current schedule of newbuilding deliveries, mostly ordered on speculation, begins to decline.

“As we enter our 25<sup>th</sup> year, we are proud to report profits in such a challenging environment. TEN's tried and tested strategy of providing downside protection while allowing for the flexibility to capture rate hikes, has proved effective once again. The markets are gradually positioning for an upturn and TEN is well placed to reap those rewards as they will occur,” Mr. Nikolas P. Tsakos, President and CEO of TEN commented. “I would like to take this opportunity to thank all of our associates and partners for their support and continuous efforts these 25 years and especially our men and women that serve on our vessels together with our onshore colleagues, the Board of Directors and management of TEN,” Mr. Tsakos concluded.

### **Conference Call:**

As previously announced, today, Monday, March 12, 2018 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 Monday, March 19, 2018 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 TEN**

TEN, founded in 1993, is one of the first and most established public shipping companies in the world today. TEN's fleet 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.

### **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.

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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)

STATEMENT OF OPERATIONS DATA	Three months ended		Year ended	
	December 31 (unaudited)		December 31	
	2017	2016	2017	2016
Voyage revenues	\$ 134,517	\$ 130,664	\$ 529,182	\$ 481,790
Voyage expenses	27,873	31,585	113,403	106,403
Charter hire expense	311	-	311	-
Vessel operating expenses	46,579	38,959	173,864	146,546
Depreciation and amortization	36,518	31,737	139,020	113,420
General and administrative expenses	7,300	6,626	26,324	25,611
Loss on sale of vessels	3,860	-	3,860	-
Vessel impairment charge	8,922	-	8,922	-
Total expenses	131,363	108,907	465,704	391,980
Operating income	3,154	21,757	63,478	89,810
Interest and finance costs, net	(13,693)	(10,068)	(56,839)	(35,873)
Interest income	268	179	1,082	623
Other, net	598	626	1,464	1,935
Total other expenses, net	(12,827)	(9,263)	(54,293)	(33,315)
Net (loss) income	(9,673)	12,494	9,185	56,495
Less: Net income attributable to the noncontrolling interest	(413)	(558)	(1,573)	(712)
Net (loss) income attributable to Tsakos Energy Navigation Limited	\$ (10,086)	\$ 11,936	\$ 7,612	\$ 55,783
Effect of preferred dividends	(6,642)	(3,969)	(23,776)	(15,875)
Net (loss) income attributable to common stockholders of Tsakos Energy Navigation Limited	\$ (16,728)	\$ 7,967	\$ (16,164)	\$ 39,908
(Loss) Earnings per share, basic and diluted	\$ (0.19)	\$ 0.10	\$ (0.19)	\$ 0.47
Weighted average number of common shares, basic and diluted	85,884,192	83,720,866	84,713,572	84,905,078

**BALANCE SHEET DATA**

	December 31	December 31
	2017	2016
Cash	202,673	197,773
Other assets	140,909	186,210
Vessels, net	3,028,404	2,677,061
Advances for vessels under construction	1,650	216,531
<b>Total assets</b>	<b>\$ 3,373,636</b>	<b>\$ 3,277,575</b>
Debt, net of deferred finance costs	1,751,869	1,753,855
Other liabilities	113,629	106,270
Stockholders' equity	1,508,138	1,417,450
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,373,636</b>	<b>\$ 3,277,575</b>

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OTHER FINANCIAL DATA	Three months ended		Year ended	
	December 31 (unaudited)		December 31	
	2017	2016	2017	2016
Net cash from operating activities	\$ 30,772	\$ 32,204	\$ 170,340	\$ 170,354
Net cash provided by (used in) investing activities	\$ 15,489	\$ (224,160)	\$ (241,830)	\$ (576,075)
Net cash (used in) provided by financing activities	\$ (62,250)	\$ 159,683	\$ 73,477	\$ 303,822
TCE per ship per day	\$ 18,343	\$ 19,466	\$ 18,931	\$ 20,412
Operating expenses per ship per day	\$ 7,823	\$ 7,557	\$ 7,688	\$ 7,763
Vessel overhead costs per ship per day	\$ 1,226	\$ 1,262	\$ 1,152	\$ 1,331
	9,049	8,819	8,840	9,094
<b>FLEET DATA</b>				
Average number of vessels during period	62.7	57.1	60.6	52.6
Number of vessels at end of period	65.0	58.0	65.0	58.0
Average age of fleet at end of period	Years 7.7	7.9	7.7	7.9
Dwt at end of period (in thousands)	7,237	6,216	7,237	6,216
Time charter employment - fixed rate	Days 2,499	1,835	9,109	6,959
Time charter employment - variable rate	Days 1,810	1,233	6,357	3,850
Period employment (coa) at market rates	Days 276	271	1,093	947
Spot voyage employment at market rates	Days 1,229	1,798	5,536	6,814
Total operating days	5,814	5,137	22,095	18,570
Total available days	5,954	5,250	22,850	19,244
Utilization	97.6%	97.8%	96.7%	96.5%

#### Non-GAAP Measures

##### Reconciliation of Net (loss) income to Adjusted Net income

	Three months ended		Year ended	
	December 31		December 31	
	2017	2016	2017	2016
Net (loss) income attributable to Tsakos Energy Navigation Limited	\$ (10,086)	11,936	\$ 7,612	\$ 55,783
Loss on sale of vessels	3,860	-	3,860	-
Vessel impairment charge	8,922	-	8,922	-
Adjusted net income attributable to Tsakos Energy Navigation Limited	\$ 2,696	\$ 11,936	\$ 20,394	\$ 55,783

##### Calculation of Adjusted Earnings per Share

	Three months ended		Year ended	
	December 31		December 31	
	2017	2016	2017	2016
Adjusted net income attributable to Tsakos Energy Navigation Limited	\$ 2,696	11,936	\$ 20,394	\$ 55,783
Weighted average number of common shares, basic and diluted	85,884,192	83,720,866	84,713,572	84,905,078
Adjusted earnings per share attributable to Tsakos Energy Navigation Limited	\$ 0.03	\$ 0.14	\$ 0.24	\$ 0.66