



TEN Ltd

Tsakos Energy Navigation



March 17, 2017

Q4 & YE2016 Earnings Conference Call



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Corporate Facts (March 2017)

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Pro forma Fleet: 65 vsls
ex. Shuttle tanker option
Ice-class capabilities: 25 vsls



Av. Fleet Age: 7.5yrs
World Average: 10.0yrs



Secured Contracts: 47
Av. Forward Employment: 2.7
years



Minimum revenues secured:
\$1.4 billion – Potential
additional revenues from
profit sharing arrangements

World-Class, Experienced and Efficient Operator

Industrial Shipping Concept - Long Term Strategic Alliances with Quality End-Users

Modern & Diversified Energy Transporter

Healthy Financial Position - Excellent Banking Relationships - Stellar Debt Service History

Strong and Expanding Critical Mass in Tanker Markets

Growing Presence in LNG and Offshore Shuttle Tankers

Consistent Practice of Low-Cycle Investing

Successful Management Strategy – Consistent High Fleet Utilization (Q4 98%)



Q4 & YE2016 Highlights

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2016 Voyage Revenues of \$482 million

2016 Operating Income of \$90 million

2016 Net Income of \$56 million or \$0.47 per basic and diluted share

2016 EBITDA: \$205 million

2016 Opex per vessel per day reduction of from 2015 at 2.1%

Q4 Voyage Revenues of \$131 million

Q4 Operating Income of \$22 million

Q4 Net Income of \$12 million or \$0.10 per basic and diluted share

Q4 EBITDA: \$54 million v. \$41 million in Q3 2016

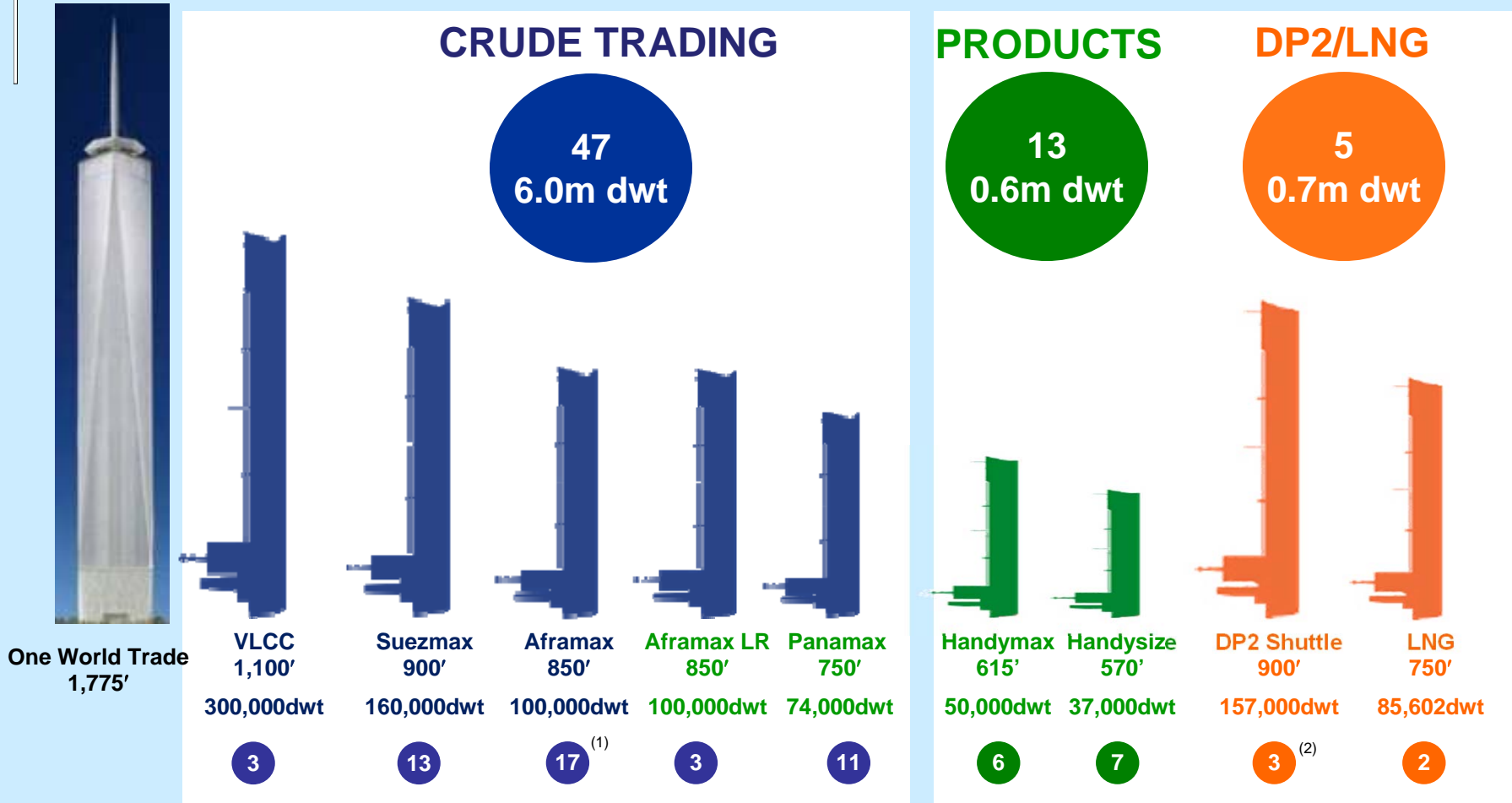
Q4 Opex per vessel per day reduction from Q3 2016 at 1.0%

Cash (12/31/16): \$198 million

Net Debt / Capital (12/31/16): 52.5%



Fleet Composition – 65 vessels (pro-forma)



Sophisticated, multi-purpose fleet addresses all customer needs

(1) Includes four remaining vessels under construction for Statoil business
 (2) DP2 shuttles built with coated tanks but currently operate in crude trades - Does not include one shuttle tanker option



Long-Term Strategic Alliances

| <u>Top Customers</u> (in alphabetical order) |
|---|
| 1. CHENIERE |
| 2. CHEVRON |
| 3. EXXONMOBIL |
| 4. FLOPEC |
| 5. HMM |
| 6. LITASCO |
| 7. PETROBRAS |
| 8. SHELL |
| 9. STATOIL |
| 10. VITOL |

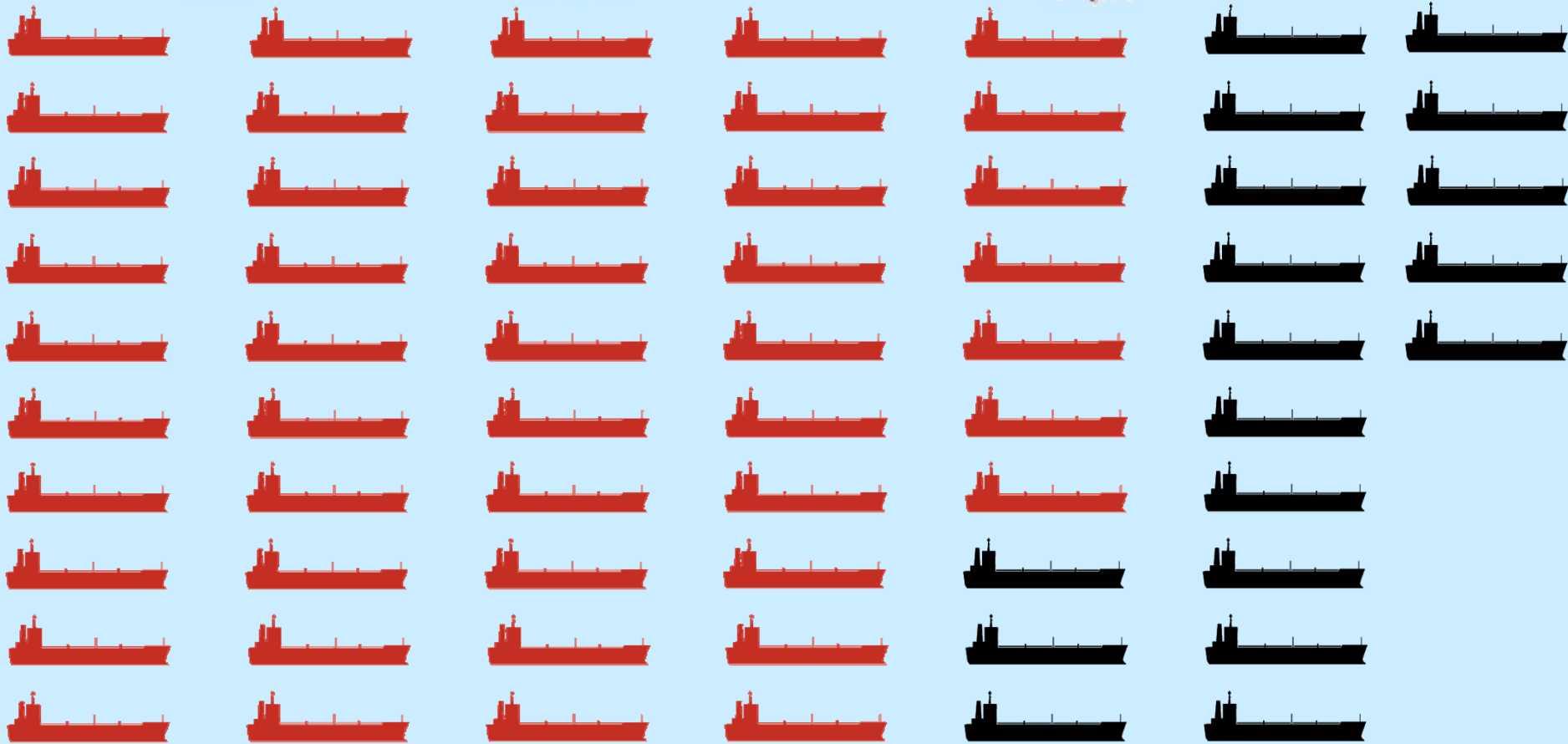


Long-term, blue-chip, recurring customer base consisting of major global energy companies

Transporter of Choice for Major Oil Companies

Upon delivery of all 9 Aframax NBs, Statoil will top our largest customers list

Strong Secured Coverage – Upside Potential



47 vessels in 65 in secured revenue contracts (TC, TCPS, COA)
29 vessels (TCPS, COA, Spot contracts) with ability to capture market upside immediately
Average TC duration: 2.7 years – Minimum Secured Revenues: \$1.4 billion


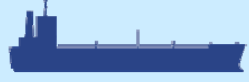







 Time-Charter Contracts  Spot Contracts

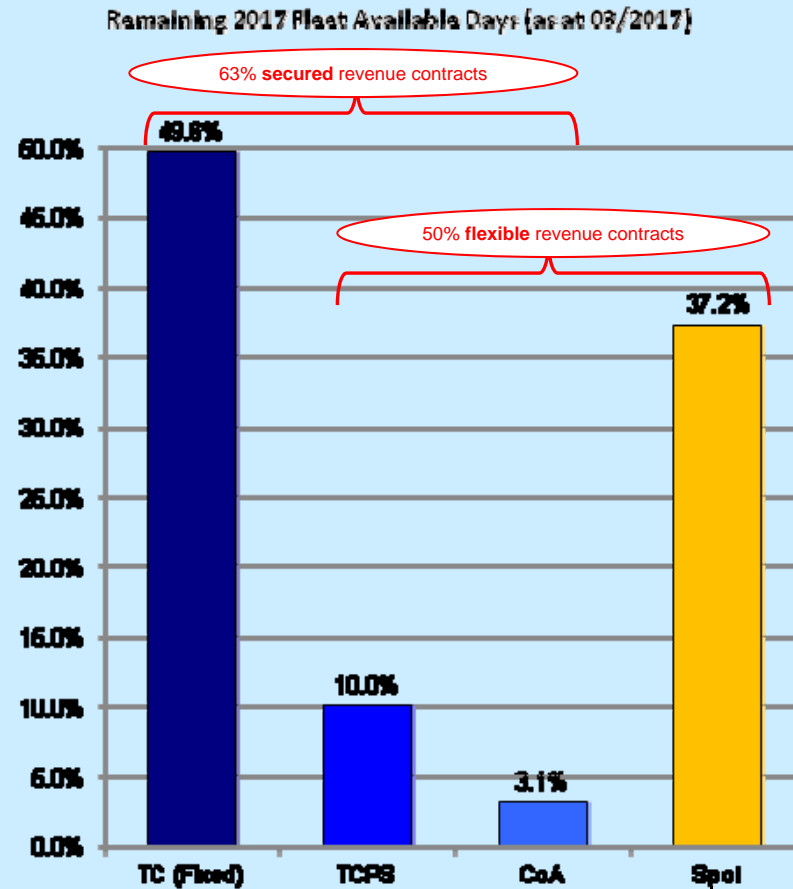


Timely Acquisitions => Low 2016 B/E Rates* - Flexible Employment

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*Breakeven rates after Operating Expenses, G&A, Interest and Depreciation

| | | | |
|----|-------------|---|-----------|
| 3 | VLCC |  | \$23,541* |
| 13 | SUEZMAX |  | \$17,820 |
| 17 | AFRAMAX |  | \$17,746 |
| 3 | AFRAMAX LR2 |  | \$19,203 |
| 11 | PANAMAX LR1 |  | \$15,167 |
| 6 | HANDYMAX MR |  | \$16,027 |
| 7 | HANDYSIZE |  | \$13,400 |
| 2 | LNG |  | \$30,356 |
| 3 | DP2 SHUTTLE |  | \$34,277 |



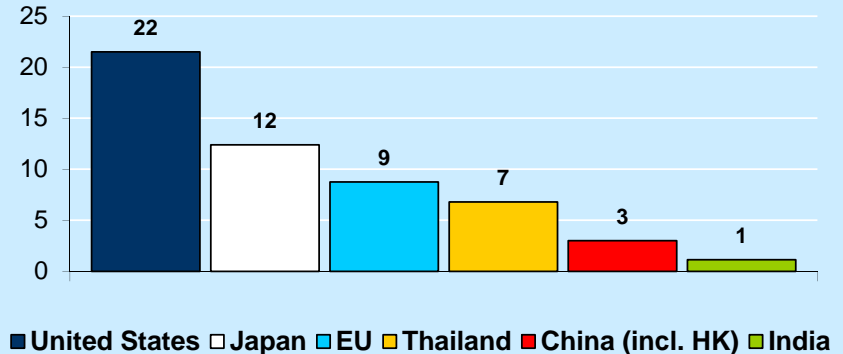
Note: Average all-in B/E for two VLCCs under TC and CoA – Not including positive effect on bunker hedging valuation for vessel on CoA



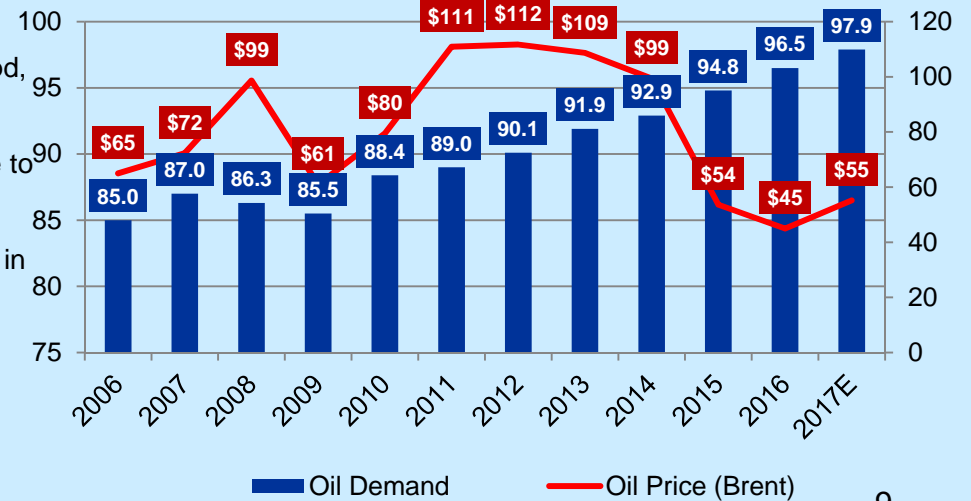
Demand Strong – Positive L/T Outlook

- 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 18mbpd, an increase of 10mbpd from current levels
- Non-OECD demand and in particular China and India continue to be the main drivers behind oil demand growth in 2016 and 2017. China's growth in 2016 was **3.1%** to 11.5mbpd and expected at **+2.9%** to 12.2mbpd in 2017. India's growth for 2016 was at **7.3%** to 4.2mbpd and is expected to grow by **6.0%** to 4.5mbpd in 2017.
- Oil demand expected to remain positive in the non-OECD (up 2.5% from 2015 and expected to grow by 2.7% in 2017)
- IEA expects oil demand to continue growing => 96.5mbpd in 2016, **+1.6mbpd** over 2015. Estimates for 2017 are at 97.9mbpd, **+1.4mbpd** over 2016
- Crude oil tankers at strong levels and products following due to high global refinery utilization and strong refinery margins
- Global activity continues to strengthen. GDP growth of **3.1%** in 2016 and expected growth of **3.4%** in 2017 and **3.6%** in 2018.

BARRELS OF OIL PER CAPITA PER ANNUM
(Source: BP Statistical Review of World Energy June 2016)



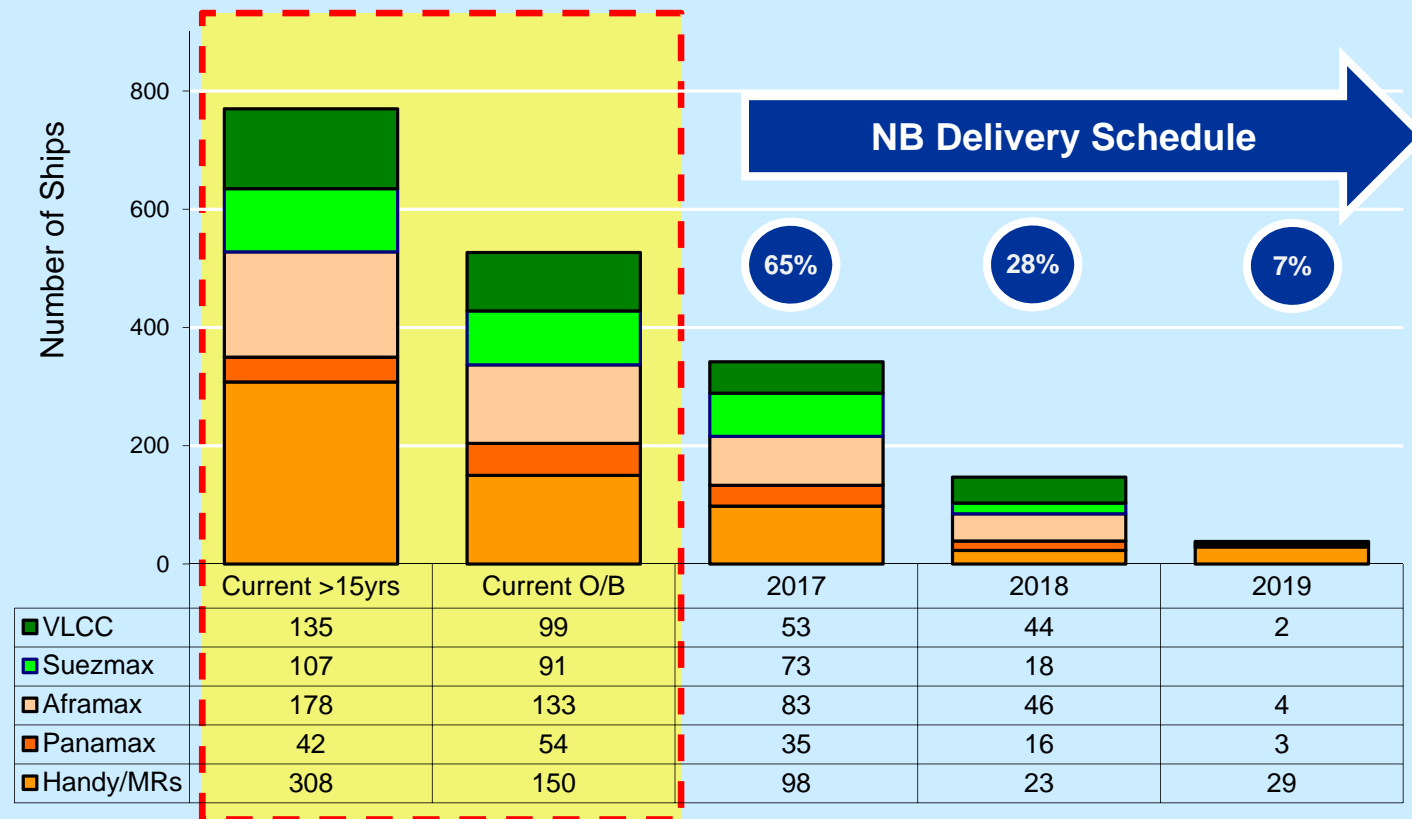
Oil Price vs. Global Oil Demand (in mbpd)





Tanker Orderbook/Delivery Schedule vs. Fleet >15 years

- ❑ **Total Orderbook of 527 tankers** to join the fleet over the next three years vs. **770 vessels in fleet over 15 years** of age (This does NOT include vessels in the 10-14 year age bracket some of which will be around the 15 year mark by 2018/19, a good part of which would be unattractive to the oil majors in 2018)
- ❑ By Q2 2017 approximately **40%** of the existing orderbook is expected to have been delivered
- ❑ **Shrinking Orderbook** - In 2010 the tanker orderbook (vessels >30K dwt) reached 22.3%. In January 2017 it stood at around **12.0%** (15.6% in May 2016)

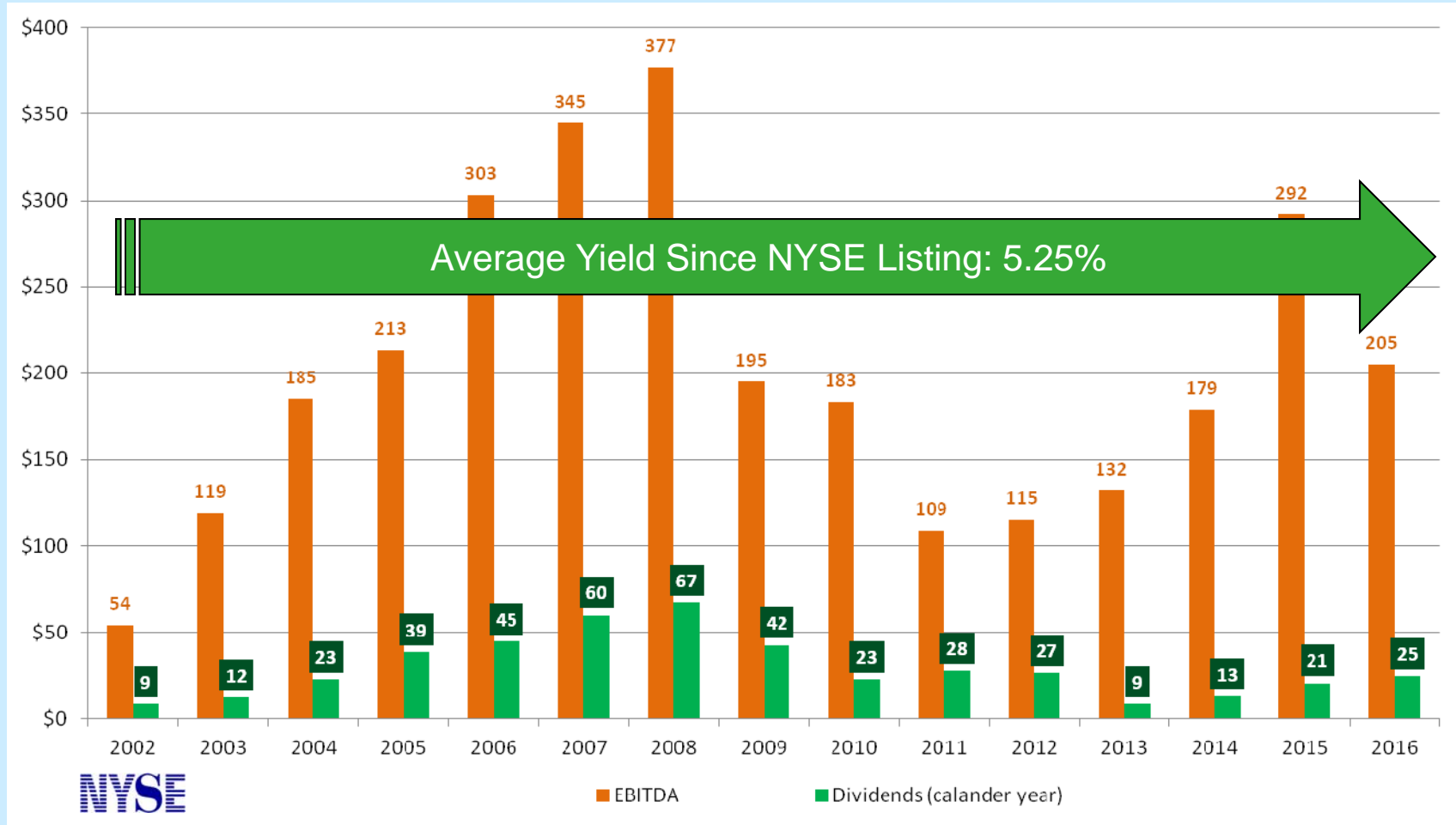


■ Handy/MRs ■ Panamax ■ Aframax ■ Suezmax ■ VLCC



Solid Growth Through Cycles - Secured Dividend Payments

- TEN has always paid a dividend irrespective of market cycles; \$10.46 per share in total dividends since inception
- Long-term nature of Company's employment policy provides cash flow sustainability and visibility



NOTE: EBITDA and Dividend numbers in USD millions



Income Statement – Balance Sheet

| STATEMENT OF OPERATIONS DATA | Three months ended | | Year ended | |
|--|-------------------------|------------------|-------------------------|-------------------|
| | December 31 (unaudited) | | December 31 (unaudited) | |
| | 2016 | 2015 | 2016 | 2015 |
| Voyage revenues | \$ 130,664 | \$ 143,092 | \$ 481,790 | \$ 587,715 |
| Voyage expenses | 31,585 | 30,213 | 106,403 | 131,878 |
| Vessel operating expenses | 38,959 | 33,106 | 146,546 | 142,117 |
| Depreciation and amortization | 31,737 | 26,568 | 113,420 | 105,931 |
| General and administrative expenses | 6,626 | 5,130 | 25,611 | 21,787 |
| Gain on sale of vessels | - | - | - | (2,078) |
| Total expenses | 108,907 | 95,017 | 391,980 | 399,635 |
| Operating income | 21,757 | 48,075 | 89,810 | 188,080 |
| Interest and finance costs, net | (10,068) | (8,500) | (35,873) | (30,019) |
| Interest income | 179 | 44 | 623 | 234 |
| Other, net | 626 | 95 | 1,935 | 128 |
| Total other expenses, net | (9,263) | (8,361) | (33,315) | (29,657) |
| Net Income | 12,494 | 39,714 | 56,495 | 158,423 |
| Less: Net income attributable to the noncontrolling interest | (558) | (71) | (712) | (206) |
| Net Income attributable to Tsakos Energy Navigation Limited | \$ 11,936 | \$ 39,643 | \$ 55,783 | \$ 158,217 |
| Effect of preferred dividends | (3,969) | (3,969) | (15,875) | (13,437) |
| Net income attributable to common stockholders of Tsakos Energy Navigation Limited | \$ 7,967 | \$ 35,674 | 39,908 | 144,780 |
| Earnings per share, basic and diluted | \$ 0.10 | \$ 0.41 | \$ 0.47 | \$ 1.69 |
| Weighted average number of common shares, basic and diluted | 83,720,866 | 87,338,652 | 84,905,078 | 85,827,597 |

BALANCE SHEET DATA

| | December 31 | |
|---|---------------------|---------------------|
| | 2016 | 2015 |
| Cash | 197,774 | 305,006 |
| Other assets | 186,208 | 163,636 |
| Vessels, net | 2,677,061 | 2,053,286 |
| Advances for vessels under construction | 216,531 | 371,238 |
| Total assets | \$ 3,277,574 | \$ 2,893,166 |
| Debt, net of deferred finance costs | 1,753,854 | 1,392,563 |
| Other liabilities | 106,270 | 85,531 |
| Stockholders' equity | 1,417,450 | 1,415,072 |
| Total liabilities and stockholders' equity | \$ 3,277,574 | \$ 2,893,166 |



Other Financial / Fleet Data

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| OTHER FINANCIAL DATA | Three months ended December 31 | | Year ended December 31 | |
|--|-----------------------------------|-------------|---------------------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| Net cash from operating activities | \$ 32,206 | \$ 67,920 | \$ 170,356 | \$ 234,407 |
| Net cash used in investing activities | \$ (224,160) | \$ (83,245) | \$ (576,075) | \$ (174,752) |
| Net cash provided by financing activities | \$ 156,366 | \$ 24,525 | \$ 300,505 | \$ 27,914 |
| TCE per ship per day | \$ 19,466 | \$ 25,977 | \$ 20,412 | \$ 25,940 |
| Operating expenses per ship per day | \$ 7,557 | \$ 7,495 | \$ 7,763 | \$ 7,933 |
| Vessel overhead costs per ship per day | \$ 1,262 | \$ 1,147 | \$ 1,331 | \$ 1,212 |
| | 8,819 | 8,642 | 9,094 | 9,145 |
| FLEET DATA | | | | |
| Average number of vessels during period | 57.1 | 48.6 | 52.6 | 49.2 |
| Number of vessels at end of period | 58.0 | 49.0 | 58.0 | 49.0 |
| Average age of fleet at end of period | Years 7.9 | 8.5 | 7.9 | 8.5 |
| Dwt at end of period (in thousands) | 6,216 | 5,059 | 6,216 | 5,059 |
| Time charter employment - fixed rate | Days 1,835 | 1,553 | 6,959 | 6,174 |
| Time charter employment - variable rate | Days 1,233 | 788 | 3,850 | 3,408 |
| Period employment (pool and coa) at market rates | Days 271 | 182 | 947 | 876 |
| Spot voyage employment at market rates | Days 1,798 | 1,844 | 6,814 | 7,136 |
| Total operating days | 5,137 | 4,367 | 18,570 | 17,594 |
| Total available days | 5,250 | 4,473 | 19,244 | 17,970 |
| Utilization | 97.8% | 97.6% | 96.5% | 97.9% |





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