



## SCORPIO TANKERS INC. ANNOUNCES FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2014 AND DECLARATION OF A QUARTERLY DIVIDEND

Jan 1, 1970

MONACO – (Marketwired) – 03/02/15 – Scorpio Tankers Inc. (NYSE: STNG) (“Scorpio Tankers,” or the “Company”) today reported its results for the three months and year ended December 31, 2014.

### *Results for the three months ended December 31, 2014 and 2013*

For the three months ended December 31, 2014, the Company’s adjusted net income was \$18.3 million (see Non-GAAP Measure section below), or \$0.12 basic and diluted earnings per share, which excluded (i) a write down of \$17.9 million, or \$0.12 per share, relating to the discontinuation of equity method accounting for our investment in Dorian LPG Ltd. (“Dorian”) as of October 29, 2014 and the designation of STI Harmony and STI Heritage as held for sale and (ii) an unrealized gain on derivative financial instruments of \$0.1 million, or \$0.00 per share. For the three months ended December 31, 2014, the Company had net income of \$0.5 million, or \$0.00 basic and diluted earnings per share.

For the three months ended December 31, 2013 the Company’s adjusted net loss was \$14.5 million (see Non-GAAP Measure section below), or \$0.08 basic and diluted loss per share, which excluded (i) a gain of \$41.4 million, or \$0.23 per share, resulting from our initial investment in Dorian, (ii) a write down of \$21.2 million, or \$0.12 per share, resulting from the designation of certain older vessels as held for sale and (iii) an unrealized gain on derivative financial instruments of \$0.1 million, or \$0.00 per share. For the three months ended December 31, 2013, the Company had net income of \$5.8 million, or \$0.03 basic and diluted earnings per share.

### *Results for the year ended December 31, 2014 and 2013*

For the year ended December 31, 2014, the Company’s adjusted net income was \$7.7 million (see Non-GAAP Measure section below), or \$0.04 basic and diluted earnings per share, which excluded (i) a gain of \$51.4 million, or \$0.30 per share, resulting from the previously announced sales of seven Very Large Crude Carriers (‘VLCCs’) under construction in March 2014, (ii) a gain of \$10.9 million, or \$0.06 per share, resulting from the previously announced acquisition of 7,500,000 common shares of the Company in exchange for 3,422,665 shares of Dorian in June 2014, (iii) a write down of \$17.9 million, or \$0.10 per share, relating to the discontinuation of equity method accounting for our investment in Dorian as of October 29, 2014, and the designation of STI Harmony and STI Heritage as held for sale, (iv) a write-off of \$0.3 million, or \$0.00 per share, for deferred financing fees relating to the repayment of the STI Spirit Credit Facility in April 2014 and (v) an unrealized gain on derivative financial instruments of \$0.3 million, or \$0.00 per share. For the year ended December 31, 2014, the Company had net income of \$52.1 million, or \$0.30 basic and diluted earnings per share.

For the year ended December 31, 2013, the Company’s adjusted net loss was \$3.7 million (see Non-GAAP Measure section below), or \$0.03 basic and diluted loss per share, which excluded (i) a gain of \$41.4 million, or \$0.28 per share, resulting from our initial investment in Dorian, (ii) a write down of \$21.2 million, or \$0.14 per share, resulting from the designation of certain older vessels as held for sale and (iii) an unrealized gain on derivative financial instruments of \$0.6 million, or \$0.00 per share. For the year ended December 31, 2013, the Company had net income of \$17.0 million, or \$0.12 basic and \$0.11 diluted earnings per share.

### *Declaration of Dividend*

On February 26, 2015, the Scorpio Tankers’ board of directors declared a quarterly cash dividend of \$0.12 per share, payable on March 30, 2015 to all shareholders as of March 13, 2015 (the record date). As of February 26, 2015, there were 163,827,903 shares outstanding.

### *First Quarter 2015 Revenue Update and Summary of Recent and Fourth Quarter Significant Events:*

- Thus far in the first quarter of 2015, we have fixed 75% of our voyage days at approximately:
  - \$26,000 per day for the LR2s
  - \$22,000 per day for the LR1s
  - \$18,000 per day for the MRs
  - \$19,500 per day for the Handymaxes
- Recently took delivery of three vessels under the Company’s Newbuilding Program, two LR2’s, STI Veneto and STI Alexis and one MR, STI Bronx. The Company has taken delivery of 8 vessels under its Newbuilding Program during 2015.
- Reached an agreement in December 2014 with Scorpio Bulkers Inc., a related party, to purchase newbuilding contracts for four LR2 product tankers for \$51.0 million each to be constructed at shipyards in South Korea and options to purchase two additional LR2 newbuilding contracts at \$52.5 million each. The options expire on May 31, 2015.
- Reached an agreement in November 2014 with an unrelated third party to purchase two LR2 product tankers under construction at Daehan Shipbuilding Co., Ltd. (“DHSC”) for approximately \$60.0 million each. These vessels, STI Rose and STI Alexis, were

delivered in January and February 2015, respectively.

- Issued \$51.75 million of 7.50% Senior Unsecured Notes due 2017 in October 2014.
- Took delivery of 13 vessels under the Company's Newbuilding Program (three LR2, five MR, and five ice-class 1A Handymax) during the fourth quarter of 2014.
- Paid a quarterly cash dividend on the Company's common stock of \$0.12 per share in December 2014.
- Reached agreements to sell three of the Company's older vessels, Venice (2001 built Post-Panamax), STI Harmony (2007 built LR1), and STI Heritage (2008 built LR1) for approximately \$74.0 million in aggregate. The sales of these vessels are expected to close in March 2015.

#### *Newbuilding Vessel deliveries*

In January and February 2015, the Company took delivery of eight vessels under its Newbuilding Program.

- STI Rose and STI Alexis, LR2 product tankers, were delivered from DHSC. Upon delivery, STI Rose began a voyage for 14 days at approximately \$30,000 per day, and STI Alexis began a voyage for 52 days at approximately \$33,500 per day.
- STI Veneto, an LR2 product tanker, was delivered from Hyundai Samho Heavy Industries Co. Ltd. ("HSHI"). Upon delivery, this vessel began a voyage for 60 days at approximately \$32,000 per day.
- STI Tribeca, STI Gramercy and STI Bronx, MR product tankers, were delivered from SPP Shipbuilding Co., Ltd. of South Korea ("SPP"). Upon delivery, each vessel began a time charter for up to 120 days at approximately \$18,000 per day.
- STI Hammersmith and STI Rotherhithe, Handymax product tankers, were delivered from Hyundai Mipo Dockyard of South Korea ("HMD"). Upon delivery, each vessel began a time charter for up to 120 days at approximately \$14,000 per day.

The Company has taken delivery of 21 vessels under its Newbuilding Program with HSHI, DHSC, HMD, SPP and Daewoo Shipbuilding and Marine Engineering Co. Ltd. ("DSME") since September 30, 2014. These deliveries are summarized as follows:

|    | Name            | Month delivered | Type     | Shipyard |
|----|-----------------|-----------------|----------|----------|
| 1  | STI Mayfair     | October 2014    | MR       | SPP      |
| 2  | STI Yorkville   | October 2014    | MR       | HMD      |
| 3  | STI Battersea   | October 2014    | Handymax | HMD      |
| 4  | STI Wembley     | October 2014    | Handymax | HMD      |
| 5  | STI Finchley    | November 2014   | Handymax | HMD      |
| 6  | STI Clapham     | November 2014   | Handymax | HMD      |
| 7  | STI Milwaukee   | November 2014   | MR       | HMD      |
| 8  | STI Battery     | November 2014   | MR       | HMD      |
| 9  | STI Sloane      | November 2014   | LR2      | HSHI     |
| 10 | STI Broadway    | November 2014   | LR2      | DSME     |
| 11 | STI Condotti    | November 2014   | LR2      | HSHI     |
| 12 | STI Poplar      | December 2014   | Handymax | HMD      |
| 13 | STI Soho        | December 2014   | MR       | SPP      |
| 14 | STI Tribeca     | January 2015    | MR       | SPP      |
| 15 | STI Hammersmith | January 2015    | Handymax | HMD      |
| 16 | STI Rotherhithe | January 2015    | Handymax | HMD      |
| 17 | STI Rose        | January 2015    | LR2      | DHSC     |
| 18 | STI Gramercy    | January 2015    | MR       | SPP      |
| 19 | STI Veneto      | January 2015    | LR2      | HSHI     |
| 20 | STI Alexis      | February 2015   | LR2      | DHSC     |
| 21 | STI Bronx       | February 2015   | MR       | SPP      |

#### *Newbuilding vessel purchases*

In December 2014, the Company reached an agreement with Scorpio Bulkers Inc., a related party, to purchase newbuilding contracts for four LR2 product tankers to be constructed at shipyards in South Korea and options to purchase two additional LR2 newbuilding contracts. The purchase price for each of the four LR2 newbuilding contracts is \$51.0 million with scheduled vessel deliveries in the first three quarters of 2016. The purchase price for the two option contracts is fixed at \$52.5 million for each contract with scheduled vessel deliveries in the fourth quarter of 2016. The options expire on May 31, 2015.

The independent members of the Company's Board of Directors unanimously approved the transaction with Scorpio Bulkers Inc. described in the preceding paragraph.

In November 2014, the Company reached an agreement with an unrelated third party to purchase two LR2 product tankers under construction at DHSC for approximately \$60.0 million each. These vessels, STI Rose and STI Alexis, were delivered in January and February 2015, respectively.

### Vessel sales

The Company reached agreements to sell Venice (2001 built Post-Panamax), STI Harmony (2007 built LR1), and STI Heritage (2008 built LR1) for approximately \$74.0 million in aggregate. The sales of these vessels are expected to close in March 2015. In connection with the Company's entry into these vessel sale agreements, the Company recorded a write-down of approximately \$4.0 million in the fourth quarter of 2014.

### Time charter-in update

In February 2015, the Company took delivery of a previously announced time chartered-in-LR2 tanker that was under construction in South Korea. The vessel is chartered-in for one year at \$21,050 per day and the Company also has an option to extend the charter for one year at \$22,600 per day. Upon delivery from the shipyard, this vessel began a voyage for 54 days at approximately \$31,000 per day.

In February 2015, the Company extended the time charter on an LR2 tanker that is currently time chartered-in. The term of the agreement is for six months at \$16,250 per day beginning in March 2015.

In February 2015, the Company extended the time charter on an LR1 tanker that is currently time chartered-in. The term of the agreement is for one year at \$16,250 per day beginning in March 2015.

### Issuance of \$51.75 million of 7.50% Senior Unsecured Notes

In October 2014, the Company completed a \$51.75 million public offering of Senior Unsecured Notes due 2017. The notes will mature on October 15, 2017 and bear interest at a rate of 7.50% per year, payable in arrears on the 15th day of January, April, July and October of each year.

### Stock Buyback Program Update

During 2014, the Company acquired an aggregate of 37,579,136 of its common shares that are being held as treasury shares, which include (i) 19,951,536 common shares that were purchased in the open market at an average price of \$9.09 per share, (ii) 7,500,000 common shares that were acquired in exchange for 3,422,665 shares in Dorian and (iii) 10,127,600 common shares that were acquired in conjunction with the Company's offering of \$360 million of Convertible Senior Notes due 2019 in June 2014.

During 2015, the Company acquired an aggregate of 746,639 of its common shares that are being held as treasury shares at an average price of \$7.91 per share. There are 163,827,903 shares outstanding as of February 26, 2015.

The Company has \$69.3 million remaining under its stock buyback program as of the date of this press release. The Company expects to repurchase these shares in the open market, at times and prices that are considered to be appropriate by the Company, but is not obligated under the terms of the program to repurchase any shares.

### Current Liquidity

As of February 27, 2015, the Company had \$119.8 million in cash.

### Debt

We made the following drawdowns from our credit facilities since September 30, 2014:

|    | Credit facility        | Drawdown amount<br>(in \$<br>millions) | Drawdown date | Collateral      |
|----|------------------------|--|---------------|-----------------|
| 1  | K-Sure Credit Facility | \$ 20.4                                | October 2014  | STI Mayfair     |
| 2  | 2013 Credit Facility   | 19.5                                   | October 2014  | STI Yorkville   |
| 3  | K-Sure Credit Facility | 18.9                                   | October 2014  | STI Battersea   |
| 4  | 2013 Credit Facility   | 18.0                                   | October 2014  | STI Wembley     |
| 5  | KEXIM Credit Facility  | 19.0                                   | November 2014 | STI Finchley    |
| 6  | KEXIM Credit Facility  | 19.0                                   | November 2014 | STI Clapham     |
| 7  | 2013 Credit Facility   | 20.5                                   | November 2014 | STI Milwaukee   |
| 8  | 2013 Credit Facility   | 19.5                                   | November 2014 | STI Battery     |
| 9  | KEXIM Credit Facility  | 30.3                                   | November 2014 | STI Sloane      |
| 10 | KEXIM Credit Facility  | 29.7                                   | November 2014 | STI Broadway    |
| 11 | KEXIM Credit Facility  | 30.3                                   | November 2014 | STI Condotti    |
| 12 | KEXIM Credit Facility  | 19.0                                   | November 2014 | STI Poplar      |
| 13 | K-Sure Credit Facility | 19.9                                   | December 2014 | STI Soho        |
| 14 | K-Sure Credit Facility | 20.4                                   | December 2014 | STI Tribeca     |
| 15 | K-Sure Credit Facility | 19.2                                   | December 2014 | STI Hammersmith |
| 16 | K-Sure Credit Facility | 19.2                                   | December 2014 | STI Rotherhithe |
| 17 | 2013 Credit Facility   | 35.4                                   | December 2014 | STI Rose        |
| 18 | K-Sure Credit Facility | 19.9                                   | January 2015  | STI Gramercy    |

|    |                        |      |               |            |
|----|------------------------|------|---------------|------------|
| 19 | KEXIM Credit Facility  | 30.3 | January 2015  | STI Veneto |
| 20 | 2013 Credit Facility   | 35.4 | February 2015 | STI Alexis |
| 21 | K-Sure Credit Facility | 19.5 | February 2015 | STI Bronx  |

As of March 2, 2015, the Company's outstanding debt balance, and amount available to draw, is as follows:

| In thousands of U.S. dollars      | Amount<br>outstanding<br>at December<br>31, 2014 | Amount<br>Outstanding<br>as of the<br>date of this<br>report | Availability<br>as of the<br>date of this<br>report (5) |
|-----------------------------------|--|--|---|
| 2010 Revolving Credit Facility \$ | 41,456\$   | 35,395   | - (1)   |
| 2011 Credit Facility              | 108,911  | 108,911  | -   |
| Newbuilding Credit Facility       | 77,841   | 77,841   | -   |
| 2013 Credit Facility              | 384,523  | 419,923  | 94,100 (2)  |
| K-Sure Credit Facility            | 197,160  | 236,560  | 221,700 (3)   |
| KEXIM Credit Facility             | 399,300  | 429,600  | -   |
| Senior Unsecured Notes            | 105,500  | 105,500  | -   |
| Convertible Senior Notes          | 360,000  | 360,000  | - (4)   |
| Total                             | \$ 1,674,691\$                                   | 1,773,730\$  | 315,800   |

- (1) A repayment of \$6.1 million was made in February 2015 in connection with the sale of Venice, which is expected to close in early March 2015.
- (2) Availability can be used to finance the lesser of 60% of the contract price for a qualifying newbuilding vessel or such vessel's fair market value at the date of drawdown.
- (3) Availability can be used to finance the lesser of 60% of the newbuilding contract price and 74% of the fair market value of the relevant vessel specified in the agreement.
- (4) As of December 31, 2014, \$56.0 million of this amount has been attributed to the conversion feature of the Convertible Senior Notes and recorded within additional paid in capital on the consolidated balance sheet.
- (5) We are currently in discussions to finance the four LR2 newbuildings that we agreed to purchase in December 2014. We expect to have agreements on the financing for these vessels before the end of the first quarter of 2015. The four vessels are scheduled to be delivered in 2016.

#### Newbuilding Program

During the fourth quarter of 2014, the Company made \$454.1 million of installment payments on its newbuilding vessels. This amount includes an aggregate of \$94.2 million of final installment payments made to the shipyards in connection with four vessels that were delivered in early January 2015.

The Company currently has 16 newbuilding vessel orders with HMD, SPP, HSHI, DSME, DHSC, and Sungdong Shipbuilding & Marine Engineering Co., Ltd ("SSME") (eight MRs and eight LR2s). The estimated first quarter of 2015 and future payments are as follows\*:

|  | \$ in millions |
|--|----------------|
| Q1 2015 - installment payments made      | 123.3          |
| Q1 2015 - remaining installment payments | 75.2           |
| Q2 2015                                  | 258.9          |
| Q3 2015                                  | 27.5           |
| Q4 2015                                  | 24.8           |
| Q1 2016                                  | 52.1           |

|         |                  |
|---------|------------------|
| Q2 2016 | 44.0             |
| Q3 2016 | 29.6             |
|         | -----            |
| Total   | \$ 635.4 million |
|         | =====            |

\*These are estimates only and are subject to change as construction progresses.

*Explanation of Variances on the Fourth Quarter of 2014 Financial Results Compared to the Fourth Quarter of 2013*

For the three months ended December 31, 2014, the Company recorded net income of \$0.5 million compared to net income of \$5.8 million for the three months ended December 31, 2013. The following were the significant changes between the two periods:

- Time charter equivalent, or TCE revenue, a non-IFRS measure, is vessel revenues less voyage expenses (including bunkers and port charges). TCE revenue is included herein because it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance irrespective of changes in the mix of charter types (i.e., spot charters, time charters, and pool charters), and it provides useful information to investors and management. The following table depicts TCE revenue for the three months ended December 31, 2014 and 2013:

|                              | For the three months ended<br>December 31, |         |
|------------------------------|--|---------|
|                              | 2014                                       | 2013    |
|                              | -----                                      | -----   |
| In thousands of U.S. dollars |  |         |
| Vessel revenue               | \$ 125,738\$                               | 53,367  |
| Voyage expenses              | (2,106)                                    | (1,064) |
|                              | -----                                      | -----   |
| TCE revenue                  | \$ 123,632\$                               | 52,303  |
|                              | =====                                      | =====   |

- TCE revenue increased \$71.3 million to \$123.6 million. This increase was driven by an increase in the average number of operating vessels (owned and time chartered-in) to 72.8 from 47.2 for the three months ended December 31, 2014 and 2013, respectively, along with an increase in time charter equivalent revenue per day to \$18,664 per day from \$12,080 per day for the three months ended December 31, 2014 and 2013, respectively (see the breakdown of daily TCE averages below). The Company experienced quarter over quarter improvements in all vessel classes. This was particularly driven by the Atlantic basin trade as U.S. Gulf Coast refinery utilization increased during the quarter, driving MR rates to recent highs. Additionally, LR2 and LR1 strength was driven by an increase in exports of refined products out of the Middle East as Saudi Arabia's Yanbu refinery began operations in 2014.
- Vessel operating costs increased \$18.5 million to \$31.1 million from \$12.6 million for the three months ended December 31, 2014 and 2013, respectively. This increase was primarily driven by an increase in the Company's owned fleet to an average of 50.8 vessels from 19.0 vessels for the three months ended December 31, 2014 and 2013, respectively. The increase was offset by an overall decrease in vessel operating costs per day to \$6,662 per day from \$7,071 per day for the three months ended December 31, 2014 and 2013, respectively (see the breakdown of daily TCE averages below).
- Charterhire expense decreased \$6.4 million to \$29.8 million from \$36.2 million for the three months ended December 31, 2014 and 2013, respectively. This decrease was driven by a decrease in the Company's time chartered-in fleet to an average of 22.0 vessels from 28.2 vessels for the three months ended December 31, 2014 and 2013, respectively.
- Depreciation expense increased \$10.8 million to \$17.7 million from \$6.9 million for the three months ended December 31, 2014 and 2013, respectively. This increase was the result of an increase in the average number of owned vessels to 50.8 from 19.0 for the three months ended December 31, 2014 and 2013, respectively.
- General and administrative expenses increased \$2.6 million to \$13.8 million from \$11.2 million for the three months ended December 31, 2014 and 2013, respectively. This increase was driven by a \$1.3 million increase in the amortization of restricted stock (non-cash) and an overall increase in other general and administrative expenses due to the significant growth in the Company's fleet.
- The write down of vessels held for sale and loss from sale of vessels decreased \$17.2 million to \$4.0 million from \$21.2 million for the three months ended December 31, 2014 and 2013, respectively. During December 2014, we recognized an aggregate write-down of \$4.0 million resulting from the designation of STI Harmony and STI Heritage as held for sale. During December 2013, we

recognized a write-down of \$21.2 million resulting from the designation of four vessels (Senatore, Noemi, Venice and STI Spirit) as held for sale.

- Gain on sale of VLGCs of \$41.4 million for the three months ended December 31, 2013, relates to the gain recorded as a result of our contribution of 11 VLGCs under construction and \$1.9 million in cash, to Dorian in exchange for 30% of Dorian's then outstanding shares.
- The write down for our investment in Dorian relates to the change in the accounting method from the equity method to the available for sale method on October 29, 2014, which is the date we lost significant influence when Robert Bugbee, our President, resigned from Dorian's board of directors. As a result of the change in accounting methods, we remeasured our investment in Dorian to its fair market value on October 29, 2014, which resulted in a write down of \$13.9 million, and we will no longer record our share of earnings from Dorian ("share of income from associate") in the Consolidated Statement of Profit or Loss.
- Financial expenses increased \$12.8 million to \$13.2 million from \$0.4 million primarily as a result in an increase in the Company's debt balance for the three months ended December 31, 2014 and 2013, respectively. Total debt outstanding, net of deferred financing fees, was \$1.6 billion at December 31, 2014 compared to \$167.1 million at December 31, 2013.

Scorpio Tankers Inc. and Subsidiaries  
Condensed Consolidated Statement of Profit or Loss  
(unaudited)

| In thousands of U.S. dollars<br>except per share and share<br>data       | For the three months<br>ended December 31, |          | For the year ended<br>December 31, |           |
|--|--|----------|------------------------------------|-----------|
|  | 2014                                       | 2013     | 2014                               | 2013      |
| Revenue  |  |          |                                    |           |
| Vessel revenue   | \$ 125,738\$                               | 53,367\$ | 342,807\$                          | 207,580   |
| Operating expenses   |  |          |                                    |           |
| Vessel operating costs   | (31,140)                                   | (12,569) | (78,823)                           | (40,204)  |
| Voyage expenses  | (2,106)                                    | (1,064)  | (7,533)                            | (4,846)   |
| Charterhire  | (29,834)                                   | (36,197) | (139,168)                          | (115,543) |
| Depreciation   | (17,721)                                   | (6,930)  | (42,617)                           | (23,595)  |
| General and administrative<br>expenses                                   | (13,830)                                   | (11,216) | (48,129)                           | (25,788)  |
| Write down of vessels held<br>for sale and loss from<br>sales of vessels | (3,978)                                    | (21,187) | (3,978)                            | (21,187)  |
| Gain on sale of VLGCs  | -  | 41,375   | -                                  | 41,375    |
| Gain on sale of VLCCs  | -  | -        | 51,419                             | -         |
| Gain on sale of Dorian<br>shares   | -  | -        | 10,924                             | -         |
| Write down of investment in<br>Dorian                                    | (13,895)                                   | -        | (13,895)                           | -         |
| Total operating expenses   | (112,504)                                  | (47,788) | (271,800)                          | (189,788) |
| Operating income   | 13,234                                     | 5,579    | 71,007                             | 17,792    |
| Other (expense) and income,<br>net                                       |  |          |                                    |           |
| Financial expenses   | (13,216)                                   | (383)    | (20,770)                           | (2,705)   |
| Realized gain on derivative<br>financial instruments                     | -  | (22)     | 17                                 | 3         |
| Unrealized gain on<br>derivative financial<br>instruments                | 77   | 82       | 264                                | 567       |
| Financial income   | 32   | 197      | 203                                | 1,147     |
| Share of income from<br>associate  | 438  | 369      | 1,473                              | 369       |
| Other expenses, net  | (70)                                       | (51)     | (103)                              | (158)     |
| Total other expense, net   | (12,739)                                   | 192      | (18,916)                           | (777)     |

|                    |    |        |         |          |        |
|--------------------|----|--------|---------|----------|--------|
| Net income         | \$ | 495\$  | 5,771\$ | 52,091\$ | 17,015 |
|                    |    | =====  | =====   | =====    | =====  |
| Earnings per share |    |        |         |          |        |
| Basic              | \$ | 0.00\$ | 0.03\$  | 0.30\$   | 0.12   |
| Diluted            | \$ | 0.00\$ | 0.03\$  | 0.30\$   | 0.11   |

Scorpio Tankers Inc. and Subsidiaries  
Condensed Consolidated Balance Sheet  
(unaudited)

| In thousands of U.S. dollars                        | As of                |                      |
|---|----------------------|----------------------|
|   | December 31,<br>2014 | December 31,<br>2013 |
| -----   |                      |                      |
| Assets  |                      |                      |
| Current assets                                      |                      |                      |
| Cash and cash equivalents                           | \$ 116,143\$         | 78,845               |
| Accounts receivable                                 | 76,554               | 72,542               |
| Prepaid expenses and other current assets           | 2,420                | 2,277                |
| Inventories   | 6,075                | 2,857                |
| Vessels held for sale                               | 70,865               | 82,649               |
|   | -----                |                      |
| Total current assets                                | 272,057              | 239,170              |
|   | -----                |                      |
| Non-current assets                                  |                      |                      |
| Vessels and drydock                                 | 1,971,878            | 530,270              |
| Vessels under construction                          | 406,524              | 649,526              |
| Other assets  | 23,728               | 17,907               |
| Investment in associate                             | -                    | 209,803              |
| Available for sale investment                       | 130,456              | -                    |
|   | -----                |                      |
| Total non-current assets                            | 2,532,586            | 1,407,506            |
|   | -----                |                      |
| Total assets  | \$ 2,804,643\$       | 1,646,676            |
|   | =====                |                      |
| Current liabilities                                 |                      |                      |
| Current portion of long term debt                   | 87,163               | 10,453               |
| Debt related to vessels held for sale               | 32,932               | 21,397               |
| Accounts payable                                    | 14,929               | 20,696               |
| Accrued expenses                                    | 55,137               | 7,251                |
| Derivative financial instruments                    | 205                  | 689                  |
|   | -----                |                      |
| Total current liabilities                           | 190,366              | 60,486               |
|   | -----                |                      |
| Non-current liabilities                             |                      |                      |
| Long term debt                                      | 1,451,427            | 135,279              |
| Derivative financial instruments                    | -                    | 188                  |
|   | -----                |                      |
| Total non-current liabilities                       | 1,451,427            | 135,467              |
|   | -----                |                      |
| Total liabilities                                   | 1,641,793            | 195,953              |
|   | -----                |                      |
| Shareholders' equity                                |                      |                      |
| Issued, authorized and fully paid in share capital: |                      |                      |
| Share capital                                       | 2,033                | 1,999                |
| Additional paid in capital                          | 1,550,956            | 1,536,945            |
| Treasury shares                                     | (351,283)            | (7,938)              |
| Accumulated other comprehensive loss                | (10,878)             | (212)                |

|  |                |           |
|--|----------------|-----------|
| Accumulated deficit                        | (27,978)       | (80,071)  |
| Total shareholders' equity                 | 1,162,850      | 1,450,723 |
| Total liabilities and shareholders' equity | \$ 2,804,643\$ | 1,646,676 |

Scorpio Tankers Inc. and Subsidiaries  
Condensed Consolidated Statement of Cash Flows  
(unaudited)

| In thousands of U.S. dollars                                       | For the year ended<br>December 31, |           |
|--|------------------------------------|-----------|
|  | 2014                               | 2013      |
| Operating activities   |                                    |           |
| Net income   | \$ 52,091\$                        | 17,015    |
| Gain on sale of VLGCs  | -                                  | (41,375)  |
| Gain on sale of VLCCs  | (51,419)                           | -         |
| Gain on sale of Dorian shares                                      | (10,924)                           | -         |
| Write down of investment in Dorian                                 | 13,895                             | -         |
| Write down of vessels held for sale and loss from sales of vessels | 3,978                              | 21,187    |
| Depreciation   | 42,617                             | 23,595    |
| Amortization of restricted stock                                   | 29,726                             | 13,142    |
| Amortization of deferred financing fees                            | 4,834                              | 332       |
| Straight-line adjustment for charterhire expense                   | 3                                  | 53        |
| Share of income from associate                                     | (1,473)                            | (369)     |
| Unrealized gain on derivative financial instruments                | (264)                              | (567)     |
| Amortization of acquired time charter contracts                    | 478                                | -         |
| Accretion of convertible senior notes                              | 5,330                              | -         |
|  | 88,872                             | 33,013    |
| Changes in assets and liabilities:                                 |                                    |           |
| Drydock payments   | (1,290)                            | (1,469)   |
| Increase in inventories  | (3,218)                            | (687)     |
| Increase in accounts receivable                                    | (4,012)                            | (36,104)  |
| Increase in prepaid expenses and other current assets              | (154)                              | (823)     |
| Increase in other assets   | (2,901)                            | (1,849)   |
| Increase / (decrease) in accounts payable                          | 6,471                              | (2,021)   |
| Increase in accrued expenses                                       | 43,347                             | 4,285     |
| Interest rate swap termination payment                             | (274)                              | -         |
|  | 37,969                             | (38,668)  |
| Net cash inflow / (outflow) from operating activities              | 126,841                            | (5,655)   |
| Investing activities   |                                    |           |
| Acquisition of vessels and payments for vessels under construction | (1,404,829)                        | (767,448) |
| Proceeds from disposal of vessels                                  | 213,670                            | -         |
| VLGC installment payments  | -                                  | (83,070)  |
| Investment in associate  | -                                  | (84,583)  |
| Net cash outflow from investing activities                         | (1,191,159)                        | (935,101) |
| Financing activities   |                                    |           |
| Debt repayments  | (74,674)                           | (28,410)  |
| Issuance of debt   | 1,219,784                          | 52,050    |
| Debt issuance costs  | (45,670)                           | (14,693)  |
| Proceeds from issuance of convertible senior notes                 | 360,000                            | -         |
| Convertible senior notes issuance costs                            | (10,993)                           | -         |
| Gross proceeds from issuance of common stock                       | -                                  | 983,537   |
| Equity issuance costs  | (42)                               | (35,695)  |

|  |              |          |
|--|--------------|----------|
| Dividends paid                                     | (70,495)     | (24,353) |
| Repurchase of common stock                         | (276,294)    | -        |
|  | -----        | -----    |
| Net cash inflow from financing activities          | 1,101,616    | 932,436  |
|  | -----        | -----    |
| Increase / (decrease) in cash and cash equivalents | 37,298       | (8,320)  |
| Cash and cash equivalents at January 1,            | 78,845       | 87,165   |
|  | -----        | -----    |
| Cash and cash equivalents at December 31,          | \$ 116,143\$ | 78,845   |
|  | =====        | =====    |

Scorpio Tankers Inc. and Subsidiaries

Other operating data for the three months and year ended December 31, 2014  
and 2013  
(unaudited)

|  | For the three<br>months ended<br>December 31, |         | For the year ended<br>December 31, |        |
|--|---|---------|------------------------------------|--------|
|  | 2014  | 2013    | 2014                               | 2013   |
|  | -----   | -----   | -----                              | -----  |
| Adjusted EBITDA(1) (in thousands of<br>U.S. dollars)       | \$ 57,061\$                                   | (681)\$ | 102,342\$                          | 34,852 |
| Average Daily Results                                      |   |         |                                    |        |
| Time charter equivalent per day(2)                         | 18,664  | 12,080  | 15,935                             | 14,369 |
| Vessel operating costs per day(3)                          | 6,662   | 7,071   | 6,802                              | 6,781  |
| Aframax/LR2  |   |         |                                    |        |
| TCE per revenue day (2)                                    | 23,561  | 12,582  | 18,621                             | 12,718 |
| Vessel operating costs per day(3)                          | 6,520   | 9,402   | 6,789                              | 8,203  |
| Panamax/LR1  |   |         |                                    |        |
| TCE per revenue day (2)                                    | 17,571  | 10,194  | 16,857                             | 12,599 |
| Vessel operating costs per day(3)                          | 7,705   | 8,306   | 8,332                              | 7,756  |
| MR   |   |         |                                    |        |
| TCE per revenue day (2)                                    | 18,619  | 13,784  | 15,297                             | 16,546 |
| Vessel operating costs per day(3)                          | 6,621   | 6,340   | 6,580                              | 6,069  |
| Handymax   |   |         |                                    |        |
| TCE per revenue day (2)                                    | 15,705  | 9,618   | 14,528                             | 12,862 |
| Vessel operating costs per day(3)                          | 6,563   | 7,332   | 6,704                              | 6,852  |
| Fleet data   |   |         |                                    |        |
| Average number of owned vessels                            | 50.8  | 19.0    | 31.6                               | 15.9   |
| Average number of time chartered-in<br>vessels             | 22.0  | 28.2    | 26.3                               | 22.9   |
| Drydock  |   |         |                                    |        |
| Expenditures for drydock (in<br>thousands of U.S. dollars) | -   | -       | \$ 1,290                           | -      |

(1) See Non-GAAP Measure section below

(2) Freight rates are commonly measured in the shipping industry in terms of time charter equivalent per day (or TCE per day), which is calculated by subtracting voyage expenses, including bunkers and port charges, from vessel revenue and dividing the net amount (time charter equivalent revenues) by the number of revenue days in the period. Revenue days are the number of days the vessel is owned less the number of days the vessel is off-hire for drydock and repairs.

(3) Vessel operating costs per day represent vessel operating costs excluding non-recurring expenses (for example insurance deductible expenses for repairs) divided by the number of days the vessel is owned

during the period.

Fleet List as of March 2, 2015

|    | Vessel Name     | Year Built | DWT    | Ice class | Employment   | Vessel type |
|----|-----------------|------------|--------|-----------|--------------|-------------|
|    | Owned vessels   |            |        |           |              |             |
| 1  | STI Highlander  | 2007       | 37,145 | 1A        | SHTP (1)     | Handymax    |
| 2  | STI Brixton     | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 3  | STI Comandante  | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 4  | STI Pimlico     | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 5  | STI Hackney     | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 6  | STI Acton       | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 7  | STI Fulham      | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 8  | STI Camden      | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 9  | STI Battersea   | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 10 | STI Wembley     | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 11 | STI Finchley    | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 12 | STI Clapham     | 2014       | 38,000 | 1A        | SHTP (1)     | Handymax    |
| 13 | STI Poplar      | 2014       | 38,000 | 1A        | Spot         | Handymax    |
| 14 | STI Hammersmith | 2015       | 38,000 | 1A        | Spot         | Handymax    |
| 15 | STI Rotherhithe | 2015       | 38,000 | 1A        | Spot         | Handymax    |
| 16 | STI Amber       | 2012       | 52,000 | -         | SMRP (4)     | MR          |
| 17 | STI Topaz       | 2012       | 52,000 | -         | SMRP (4)     | MR          |
| 18 | STI Ruby        | 2012       | 52,000 | -         | SMRP (4)     | MR          |
| 19 | STI Garnet      | 2012       | 52,000 | -         | SMRP (4)     | MR          |
| 20 | STI Onyx        | 2012       | 52,000 | -         | SMRP (4)     | MR          |
| 21 | STI Sapphire    | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 22 | STI Emerald     | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 23 | STI Beryl       | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 24 | STI Le Rocher   | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 25 | STI Larvotto    | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 26 | STI Fontvieille | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 27 | STI Ville       | 2013       | 52,000 | -         | SMRP (4)     | MR          |
| 28 | STI Duchessa    | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 29 | STI Opera       | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 30 | STI Texas City  |            |        |           | Time Charter |             |
| 31 | STI Meraux      | 2014       | 52,000 | -         | (5)          | MR          |
|    |                 |            |        |           | Time Charter |             |
|    |                 | 2014       | 52,000 | -         | (6)          | MR          |
| 32 | STI Chelsea     | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 33 | STI Lexington   | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 34 | STI San Antonio |            |        |           | Time Charter |             |
|    |                 | 2014       | 52,000 | -         | (6)          | MR          |
| 35 | STI Venere      | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 36 | STI Virtus      | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 37 | STI Powai       | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 38 | STI Aqua        | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 39 | STI Dama        | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 40 | STI Olivia      | 2014       | 52,000 | -         | SMRP (4)     | MR          |
| 41 | STI Mythos      | 2014       | 52,000 | -         | SMRP (4)     | MR          |

|    |                 |      |         |    |  | Time Charter |              |
|----|-----------------|------|---------|----|--|--------------|--------------|
| 42 | STI Benicia     |      |         |    |  | (6)          | MR           |
|    |                 | 2014 | 52,000  | -  |  |              |              |
| 43 | STI Regina      | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 44 | STI St. Charles | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 45 | STI Mayfair     | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 46 | STI Yorkville   | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 47 | STI Milwaukee   | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 48 | STI Battery     | 2014 | 52,000  | -  |  | SMRP (4)     | MR           |
| 49 | STI Soho        | 2014 | 52,000  | -  |  | Spot         | MR           |
| 50 | STI Tribeca     | 2015 | 52,000  | -  |  | Spot         | MR           |
| 51 | STI Gramercy    | 2015 | 52,000  | -  |  | Spot         | MR           |
| 52 | STI Bronx       | 2015 | 52,000  | -  |  | Spot         | MR           |
| 53 | STI Harmony     | 2007 | 73,919  | 1A |  | SPTP (2)     | LR1          |
| 54 | STI Heritage    | 2008 | 73,919  | 1A |  | SPTP (2)     | LR1          |
| 55 | STI Venice      | 2001 | 81,408  | 1C |  | SPTP (2)     | Post-Panamax |
| 56 | STI Elysees     | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 57 | STI Madison     | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 58 | STI Park        | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 59 | STI Orchard     | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 60 | STI Sloane      | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 61 | STI Broadway    | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 62 | STI Condotti    | 2014 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 63 | STI Rose        | 2015 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 64 | STI Veneto      | 2015 | 109,999 | -  |  | SLR2P (3)    | LR2          |
| 65 | STI Alexis      | 2015 | 109,999 | -  |  | SLR2P (3)    | LR2          |

-----  
Total owned  
DWT  
3,822,381  
=====

|    | Vessel Name               | Year Built | DWT    | Ice class | Employment | Vessel type | Daily Base Rate | Expiry (7)     |
|----|---------------------------|------------|--------|-----------|------------|-------------|-----------------|----------------|
|    | -----                     |            |        |           |            |             |                 |                |
|    | Time chartered-in vessels |            |        |           |            |             |                 |                |
| 66 | Kraslava                  | 2007       | 37,258 | 1B        | SHTP (1)   | Handymax    | \$13,650        | 18-May-15      |
| 67 | Krisjanis Valdemars       | 2007       | 37,266 | 1B        | SHTP (1)   | Handymax    | \$13,650        | 14-Apr-15 (8)  |
| 68 | Jinan                     | 2003       | 37,285 | -         | SHTP (1)   | Handymax    | \$12,600        | 28-Apr-15      |
| 69 | Iver Prosperity           | 2007       | 37,412 | -         | SHTP (1)   | Handymax    | \$12,500        | 03-Mar-16 (9)  |
| 70 | Histria Azure             | 2007       | 40,394 | -         | SHTP (1)   | Handymax    | \$13,550        | 04-Apr-15      |
| 71 | Histria Coral             | 2006       | 40,426 | -         | SHTP (1)   | Handymax    | \$13,550        | 17-Jul-15      |
| 72 | Histria Perla             | 2005       | 40,471 | -         | SHTP (1)   | Handymax    | \$13,550        | 15-Jul-15      |
| 73 | Targale                   | 2007       | 49,999 | -         | SMRP (4)   | MR          | \$14,850        | 17-May-15 (10) |
| 74 | Nave Orion                | 2013       | 49,999 | -         | SMRP (4)   | MR          | \$14,300        | 25-Mar-15 (11) |
| 75 | Gan-Trust                 | 2013       | 51,561 | -         | SMRP (4)   | MR          | \$16,250        | 06-Jan-16 (12) |
| 76 | SN Federica               | 2003       | 72,344 | -         | SPTP (2)   | LR1         | \$11,250        | 15-May-15 (13) |
| 77 | SN Azzura                 | 2003       | 72,344 | -         | SPTP (2)   | LR1         | \$13,600        | 31-Mar-15      |

|    |                     |      |         |   |           |     |          |                |
|----|---------------------|------|---------|---|-----------|-----|----------|----------------|
| 78 | King Douglas        | 2008 | 73,666  | - | SPTP (2)  | LR1 | \$15,000 | 08-Nov-15      |
| 79 | Hellespont Progress | 2006 | 73,728  | - | SPTP (2)  | LR1 | \$15,000 | 18-Mar-16 (14) |
| 80 | FPMC P Eagle        | 2009 | 73,800  | - | SPTP (2)  | LR1 | \$14,525 | 09-Sep-15      |
| 81 | FPMC P Hero         | 2011 | 99,995  | - | SLR2P (3) | LR2 | \$15,500 | 02-May-15      |
| 82 | Swarna Jayanti      | 2010 | 104,895 | - | SLR2P (3) | LR2 | \$15,000 | 11-Sep-15 (15) |
| 83 | Densa Crocodile     | 2015 | 105,408 | - | SLR2P (3) | LR2 | \$21,050 | 07-Feb-16 (16) |
| 84 | Densa Alligator     | 2013 | 105,708 | - | SLR2P (3) | LR2 | \$17,550 | 17-Sep-15      |
| 85 | Khawr Aladid        | 2006 | 106,003 | - | SLR2P (3) | LR2 | \$15,400 | 11-Jul-15      |
| 86 | Fair Seas           | 2008 | 115,406 | - | SLR2P (3) | LR2 | \$17,500 | 10-Mar-15      |

-----  
Total time chartered-in DWT 1,425,368  
=====

Newbuildings currently under construction

| Vessel Name                         | Yard      | DWT     | Ice class | Vessel type |
|-------------------------------------|-----------|---------|-----------|-------------|
| -----                               | -----     | -----   | -----     | -----       |
| 87 Hull 2474 - TBN STI Pontiac      | HMD (17)  | 52,000  | -         | MR          |
| 88 Hull 2490 - TBN STI Osceola      | HMD (17)  | 52,000  | -         | MR          |
| 89 Hull 2492 - TBN STI Notting Hill | HMD (17)  | 52,000  | -         | MR          |
| 90 Hull 2493 - TBN STI Westminster  | HMD (17)  | 52,000  | -         | MR          |
| 91 Hull 2475 - TBN STI Seneca       | HMD (17)  | 52,000  | -         | MR          |
| 92 Hull S1169 - TBN STI Manhattan   | SPP (18)  | 52,000  | -         | MR          |
| 93 Hull S1170 - TBN STI Queens      | SPP (18)  | 52,000  | -         | MR          |
| 94 Hull S1168 - TBN STI Brooklyn    | SPP (18)  | 52,000  | -         | MR          |
| 95 Hull S715 - TBN STI Oxford       | HSHI (19) | 109,999 | -         | LR2         |
| 96 Hull S716 - TBN STI Connaught    | HSHI (19) | 109,999 | -         | LR2         |
| 97 Hull 5398 - TBN STI Winnie       | DSME (20) | 109,999 | -         | LR2         |
| 98 Hull 5399 - TBN STI              |           |         |           |             |

|     |                                    |           |         |   |     |
|-----|------------------------------------|-----------|---------|---|-----|
| 99  | Lauren<br>Hull S3120<br>- TBN STI  | DSME (20) | 109,999 | - | LR2 |
| 100 | Selatar<br>Hull S3121<br>- TBN STI | SSME (21) | 109,999 | - | LR2 |
| 101 | Rambla<br>Hull 5003 -<br>TBN STI   | SSME (21) | 109,999 | - | LR2 |
| 102 | Grace<br>Hull 5004 -<br>TBN STI    | DHSC (22) | 109,999 | - | LR2 |
|     | Jermyn                             | DHSC (22) | 109,999 | - | LR2 |

-----  
Total newbuilding  
product tankers DWT           1,295,992  
=====

-----  
Total Fleet  
DWT                               6,543,741  
=====

- (1) This vessel operates in or is expected to operate in the Scorpio Handymax Tanker Pool (SHTP). SHTP is operated by Scorpio Commercial Management (SCM). SHTP and SCM are related parties to the Company.
- (2) This vessel operates in or is expected to operate in the Scorpio Panamax Tanker Pool (SPTP). SPTP is operated by SCM. SPTP is a related party to the Company.
- (3) This vessel operates in or is expected to operate in the Scorpio LR2 Pool (SLR2P). SLR2P is operated by SCM. SLR2P is a related party to the Company.
- (4) This vessel operates in or is expected to operate in the Scorpio MR Pool (SMRP). SMRP is operated by SCM. SMRP is a related party to the Company.
- (5) This vessel is on a time charter agreement for two years, which also contains a 50% profit sharing provision whereby we split all of the vessel's profits above the daily base rate with the charterer.
- (6) This vessel is on a time charter agreement for one year, which also contains a 50% profit sharing provision whereby we split all of the vessel's profits above the daily base rate with the charterer.
- (7) Redelivery from the charterer is plus or minus 30 days from the expiry date.
- (8) The agreement also contains a 50% profit and loss sharing provision whereby we split all of the vessel's profits and losses above or below the daily base rate with the vessel's owner.
- (9) In September 2014, we declared an option to extend the charter for an additional year at \$13,500 per day effective March 3, 2015.
- (10) We have options to extend the charter for up to two consecutive one year periods at \$15,200 per day and \$16,200 per day, respectively.
- (11) We have an option to extend the charter for an additional year at \$15,700 per day.
- (12) The rate for the first year of this agreement was \$15,750 per day, the rate for the second year is \$16,250 per day, and the rate for the third year is \$16,750 per day. We have options to extend the charter for up to two consecutive one year periods at \$17,500 per day and \$18,000 per day, respectively.
- (13) We have an option to extend the charter for an additional year at \$12,500 per day. We have also entered into an agreement with the vessel's owner whereby we split all of the vessel's profits above the daily base rate.
- (14) In February 2015, we declared an option to extend the charter for an additional year at \$16,250 per day effective March 18, 2015. We have an option to extend the charter for an additional year at \$17,250 per day.
- (15) In February 2015, we declared an option to extend the charter for an additional six months at \$16,250 per day effective March 11, 2015.
- (16) This vessel was delivered in February 2015. We have an option to extend

the charter for an additional year at \$22,600 per day.

- (17) These newbuilding vessels are being constructed at HMD (Hyundai Mipo Dockyard Co. Ltd. of South Korea). One vessel is expected to be delivered in the first quarter and four vessels in the second quarter of 2015.
- (18) These newbuilding vessels are being constructed at SPP (SPP Shipbuilding Co., Ltd. of South Korea). One vessel is expected to be delivered in the first quarter and two vessels in the second quarter of 2015.
- (19) These newbuilding vessels are being constructed at HSHI (Hyundai Samho Heavy Industries Co., Ltd). These two vessels are expected to be delivered in the second quarter of 2015.
- (20) These newbuilding vessels are being constructed at DSME (Daewoo Shipbuilding and Marine Engineering). One vessel is expected to be delivered in the first quarter and one in the second quarter of 2015.
- (21) These newbuilding vessels are being constructed at SSME (Sungdong Shipbuilding & Marine Engineering Co., Ltd). These two vessels are expected to be delivered in the second and third quarter of 2016.
- (22) These newbuilding vessels are being constructed at DHSC (Daehan Shipbuilding Co. Ltd). These two vessels are expected to be delivered in the first and second quarter of 2016.

#### *Business Strategy, Dividend Policy, and Stock Buyback Program*

##### **Business Strategy**

The Company's primary objectives are to profitably grow the business and emerge as a major operator of product tanker vessels. The Company intends to acquire modern, high-quality tankers through timely and selective acquisitions. The Company is currently concentrating on these sectors because of their attractive fundamentals which the Company believes includes:

- increasing demand for refined products.
- increasing ton miles (distance between production and areas of demand), and
- reduced order book.

##### **Dividend Policy**

The declaration and payment of dividends is subject at all times to the discretion of the Company's board of directors. The timing and amount of dividends, if any, depends on the Company's earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in the loan agreements, the provisions of Marshall Islands law affecting the payment of dividends and other factors.

The Company paid the following dividends during 2014:

- On December 12, 2014, the Company paid a quarterly cash dividend on the Company's common stock of \$0.12 per share to all shareholders as of November 25, 2014 (the record date).
- On September 10, 2014, the Company paid a quarterly cash dividend on its common stock of \$0.10 per share to all shareholders as of August 22, 2014 (the record date).
- On June 12, 2014, the Company paid a quarterly cash dividend on its common stock of \$0.09 per share to all shareholders as of May 27, 2014 (the record date).
- On March 26, 2014, the Company paid a quarterly cash dividend on its common stock of \$0.08 per share to all shareholders as of March 11, 2014 (the record date).

##### **Share Buyback Program**

During 2014, the Company acquired an aggregate of 37,579,136 of its common shares that are being held as treasury shares, which include (i) 19,951,536 common shares that were purchased in the open market at an average price of \$9.09 per share, (ii) 7,500,000 common shares that were acquired in exchange for 3,422,665 shares in Dorian and (iii) 10,127,600 common shares that were acquired in conjunction with the Company's offering of \$360 million of Convertible Senior Notes due 2019 in June 2014.

During 2015, the Company acquired an aggregate of 746,639 of its common shares that are being held as treasury shares at an average price of \$7.91. There are 163,827,903 shares outstanding as of March 2, 2015.

The Company has \$69.3 million remaining under its stock buyback program as of the date of this press release. The Company expects to repurchase these shares in the open market, at times and prices that are considered to be appropriate by the Company, but is not obligated under the terms of the program to repurchase any shares.

##### *About Scorpio Tankers Inc.*

Scorpio Tankers Inc. is a provider of marine transportation of petroleum products worldwide. Scorpio Tankers Inc. currently owns 65 tankers

(ten LR2 tankers, two LR1 tankers, 15 Handymax tankers, 37 MR tankers, and one post-Panamax tanker) with an average age of 1.3 years, time charters-in 21 product tankers (six LR2, five LR1, three MR and seven Handymax tankers), and has contracted for 16 newbuilding product tankers (eight MR and eight LR2), three of which are expected to be delivered in the first quarter of 2015, nine of which are expected to be delivered in the second quarter of 2015 and the remaining four vessels throughout 2016. The Company has also reached agreements to sell three vessels of its older vessels (two LR1 tankers and one post-Panamax tanker). The Company also owns approximately 16% of Dorian LPG Ltd. Additional information about the Company is available at the Company's website [www.scorpiotankers.com](http://www.scorpiotankers.com), which is not a part of this press release.

#### Non-GAAP Measures

This press release describes adjusted net income and adjusted EBITDA, which are not measures prepared in accordance with IFRS (i.e. "Non-GAAP" measure). The Non-GAAP measures are presented in this press release as we believe that they provide investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance. These Non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with IFRS.

#### Adjusted net income / (loss)

|   | For the three months ended December 31, |           |             |           |
|---|---|-----------|-------------|-----------|
|   | 2014                                    |           | 2013        |           |
|   | Amount                                  | Per share | Amount      | Per share |
| In thousands of U.S. dollars<br>except per share and share data |   |           |             |           |
| Net income  | \$ 495                                  | 0.00      | \$ 5,771    | 0.03      |
| Adjustments:  |   |           |             |           |
| Unrealized gain on derivative<br>financial instruments          | (77)                                    | (0.00)    | (82)        | (0.00)    |
| Write down of vessels held<br>for sale                          | 3,978                                   | 0.03      | 21,187      | 0.12      |
| Gain on sale of VLGCs   | -                                       | -         | (41,375)    | (0.23)    |
| Write down of investment in<br>Dorian                           | 13,895                                  | 0.09      | -           | -         |
| Total adjustments   | 17,796                                  | 0.12      | (20,270)    | (0.11)    |
| Adjusted net income / (loss)                                    | \$ 18,291                               | 0.12      | \$ (14,499) | (0.08)    |

|  | For the year ended December 31, |           |            |           |
|--|---------------------------------|-----------|------------|-----------|
|  | 2014                            |           | 2013       |           |
|  | Amount                          | Per share | Amount     | Per share |
| Net income   | \$ 52,091                       | 0.30      | \$ 17,015  | 0.12      |
| Adjustments:   |                                 |           |            |           |
| Deferred financing fees<br>write-off - STI Spirit      | 317                             | 0.00      | -          | -         |
| Unrealized gain on derivative<br>financial instruments | (264)                           | (0.00)    | (567)      | (0.00)    |
| Write down of vessels held<br>for sale                 | 3,978                           | 0.02      | 21,187     | 0.14      |
| Gain on sale of VLCCs                                  | -                               | -         | (41,375)   | (0.28)    |
| Gain on sale of VLCCs                                  | (51,419)                        | (0.30)    | -          | -         |
| Gain on sale of Dorian shares                          | (10,924)                        | (0.06)    | -          | -         |
| Write down of investment in<br>Dorian                  | 13,895                          | 0.08      | -          | -         |
| Total adjustments                                      | (44,417)                        | (0.26)    | (20,755)   | (0.14)    |
| Adjusted net income / (loss)                           | \$ 7,674                        | 0.04      | \$ (3,740) | (0.03)    |

#### Adjusted EBITDA

| In thousands of U.S. dollars                               | For the three months<br>ended December 31, |          | For the year ended<br>December 31, |           |
|--|--|----------|------------------------------------|-----------|
|  | 2014                                       | 2013     | 2014                               | 2013      |
| Net income   | \$ 495                                     | \$ 5,771 | \$ 52,091                          | \$ 17,015 |
| Financial expenses   | 13,216                                     | 383      | 20,770                             | 2,705     |
| Unrealized gain on derivative<br>financial instruments     | (77)                                       | (82)     | (264)                              | (567)     |
| Financial income   | (32)                                       | (197)    | (203)                              | (1,147)   |
| Depreciation   | 17,721                                     | 6,930    | 42,617                             | 23,595    |
| Depreciation component of our<br>net profit from associate | 206  | 297      | 2,075                              | 297       |
| Amortization of restricted<br>stock                        | 7,659                                      | 6,405    | 29,726                             | 13,142    |
| Write down of vessels held for<br>sale                     | 3,978                                      | 21,187   | 3,978                              | 21,187    |
| Gain on sale of VLGCs                                      | -  | (41,375) | -                                  | (41,375)  |
| Gain on sale of VLCCs                                      | -  | -        | (51,419)                           | -         |
| Gain on sale of Dorian shares                              | -  | -        | (10,924)                           | -         |
| Write down of investment in<br>Dorian                      | 13,895                                     | -        | 13,895                             | -         |
| Adjusted EBITDA  | \$ 57,061                                  | \$ (681) | \$ 102,342                         | \$ 34,852 |

#### Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management’s examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for tanker vessel capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

Source: Scorpio Tankers Inc.