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TANKER INVESTMENTS LTD. REPORTS FOURTH QUARTER AND ANNUAL 2015 RESULTS

Hamilton, Bermuda, February 18, 2016 - Tanker Investments Ltd. (*Tanker Investments* or *the Company*) today reported its financial results for the quarter ended December 31, 2015.

Highlights:

- Reported net income of USD 28.5 million, or USD 0.79 per share, and USD 75.9 million, or USD 2.07 per share, for the fourth quarter of 2015 and fiscal 2015, respectively.
- Generated cash flow from vessel operations (*CFVO*[1]) of USD 45.9 million in the fourth quarter of 2015, compared to USD 27.6 million in the previous quarter.
- Repurchased 2.9 million shares of the Company's common stock for USD 35.0 million, thereby completing the USD 60 million share repurchase program previously approved by the Board of Directors.
- Completed the sale of the *Hemsedal Spirit* and *Voss Spirit* for USD 155 million with delivery to buyers during the second half of January 2016.
- Announced the approval and implementation of an additional USD 60 million share repurchase plan in early-February; have since repurchased 1.48 million shares for a total cost of USD 13.8 million.

"The fourth quarter of 2015 was a record for Tanker Investments as our 100 percent spot traded fleet benefitted from the strong tanker market fundamentals," commented William Hung, Tanker Investments Chief Executive Officer. "In addition, we were able to return significant capital to long-term shareholders in the form of share repurchases and with the recent sale of our two VLCCs and subsequent announcement of a new USD 60 million repurchase plan, we intend to continue adding shareholder value by repurchasing our stock below net asset value." Mr. Hung continued, "Tanker rates have remained firm into the first quarter which will allow the Company to continue delevering its balance sheet while distributing excess capital to shareholders via share repurchases or dividends."

[1] Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please refer to *Appendix B* of this release for the reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

Selected Financial Information:

All figures in USD millions **(except per share, per day and unless otherwise specified)**			
Balance Sheet Summary	**As at December 31, 2015**	**As at September 30, 2015(1)**	**As at December 31, 2014(1)**
Cash & Cash Equivalents	$43.4	$57.5	$69.6
Total Assets	$1,027.6	$1,040.9	$737.9
Total Liabilities	$602.3	$609.0	$348.0
	Three Months Ended		
Income Statement Summary	**December 31, 2015**	**September 30, 2015**	**December 31, 2014**
Net Revenues(2)	$67.2	$46.4	$27.4
Cash Flow from Vessel Operations (*CFVO*)(3)	$45.9	$27.6	$14.3
Net Income	$28.5	$11.6	$3.7
Net Income per share	$0.79	$0.32	$0.10
	Three Months Ended		
Time-Charter Equivalent (TCE) Spot Rates(4)	**December 31, 2015**	**September 30, 2015**	**December 31, 2014**
Suezmax Revenue Days	905	484(5)	315
Suezmax TCE rate per day	$40,861	$33,880(5)	$26,367
Aframax Revenue Days	552	552	449
Aframax TCE rate per day	$32,008	$32,483	$24,445
VLCC Revenue Days	184	173	184
VLCC TCE rate per day	$51,719	$37,959	$32,051
Coated Aframax Revenue Days	184	184	184
Coated Aframax TCE rate per day	$27,102	$33,187	$21,841

(1) Prior period information relating to debt issuance costs has been retrospectively adjusted due to the adoption of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs (or ASU2015-03)*. As a result of adopting ASU 2015-03, total assets decreased by $4.5 million (December 31, 2015), $4.6 (September 30, 2015) and $2.8 million (December 31, 2014). Total liabilities decreased by $4.5 million (December 31, 2015), $4.6 (September 30, 2015) and $2.8 million (December 31, 2014).

(2) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please refer to *Appendix A* of this release for the reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(3) Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to

measure the financial performance of shipping companies. Please refer to *Appendix B* of this release for the reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(4) Time-charter equivalent (*TCE*) spot rates represent the operating performance of the Company's spot vessels measured in net voyage revenue per revenue day, before related-party pool management fees, related-party commissions and off-hire bunker expenses.

(5) Including 220 voyage days from vessels trading outside the Suezmax pool, TCE for the quarter ended September 30, 2015 was $24,504 per day.

All figures in USD millions **(except per share, per day and unless otherwise specified)**		
Income Statement Summary	**Year ended December 31, 2015**	**Date of incorporation January 10, 2014 to December 31, 2014**
Net Revenues(1)	$198.5	$59.2
Cash Flow from Vessel Operations (*CFVO*)(2)	$133.1	$22.3
Net Income (Loss)	$75.8	($3.1)
Net Income (Loss) per share	$2.07	($0.09)
Time-Charter Equivalent (TCE) Spot Rates(3)	**Year ended December 31, 2015**	**Date of incorporation January 10, 2014 to December 31, 2014**
Suezmax Revenue Days	2,028(4)	1,140
Suezmax TCE rate per day	$38,825(4)	$20,196
Aframax Revenue Days	2,163	1,073
Aframax TCE rate per day	$32,189	$21,950
VLCC Revenue Days	678	474
VLCC TCE rate per day	$46,886	$21,479
Coated Aframax Revenue Days	730	406
Coated Aframax TCE rate per day	$28,473	$18,721

(1) Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please refer to *Appendix A* of this release for the reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(2) Cash flow from vessel operations (*CFVO*) represents income from vessel operations before depreciation and amortization expense. Cash flow from vessel operations is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies. Please refer to *Appendix B* of this release for the reconciliation of this non-GAAP measure as used in this release to the most directly comparable GAAP financial measure.

(3) Time-charter equivalent (*TCE*) spot rates represent the operating performance of the Company's spot vessels measured in net voyage revenue per revenue day, before related-party pool management fees, related-party commissions and off-hire bunker expenses.

(4) Including 272 voyage days from vessels trading outside the Suezmax pool, TCE for the year ended December 31, 2015 was $38,207 per day.

Financial Review of the Fourth Quarter and Fiscal 2015

During the fourth quarter of 2015, net revenues increased to USD 67.2 million from USD 46.4 million in the third quarter of 2015 due primarily to a full quarter of revenue relating to the six new Suezmax vessels delivered during the third quarter and higher TCE rates earned by our larger vessels. During the year ended December 31, 2015, net revenues increased to USD 198.5 million from USD 59.2 million in the period from the date of incorporation on January 10, 2014 to December 31, 2014, due primarily to the increase in the number of vessels and higher average TCE rates in 2015.

CFVO was USD 45.9 million during the fourth quarter of 2015, which increased from USD 27.6 million in the third quarter of 2015 due primarily to the full use of the six new Suezmax vessels, which delivered in the third quarter. CFVO was USD 133.1 million during the year ended December 31, 2015, which increased from USD 22.3 million in the period from date of incorporation January 10, 2014 to December 31, 2014 due primarily to the increase in the number of vessels and higher TCE rates in 2015.

Net interest expense was USD 6.0 million in the fourth quarter of 2015, a slight increase from the third quarter of 2015, as a result of new debt drawn to acquire the six new Suezmax vessels during the third quarter. Net interest expense was USD 22.2 million in the year ended December 31, 2015, an increase from the period from date of incorporation January 10, 2014 to December 31, 2014, primarily due to the additional debt used to finance vessel acquisitions.

Tanker Investments reported net income of USD 28.5 million, or USD 0.79 per share (basic), for the fourth quarter of 2015 compared to net income of USD 11.6 million, or USD 0.32 per share (basic) in the third quarter of 2015.

Net income was USD 75.8 million, or USD 2.07 per share, for the year ended December 31, 2015 compared to a net loss of USD 3.1 million, or USD 0.09 per share, for the period from date of incorporation January 10, 2014 to December 31, 2014.

Tanker Market Outlook

The tanker market in 2015 was the strongest since 2008. The main catalyst for the strong freight market was continued high levels of global oil production, including an extra 1.0 million barrels per day (mb/d) of crude oil supply from OPEC. Global oil demand was also robust in 2015, growing by 1.7 mb/d, the highest level of growth since the post-financial crisis rebound in 2010. Oil prices also fell to the lowest average price in 11 years in 2015, which was positive for the tanker market as it led to higher refinery throughput to take advantage of strong refining margins, increased commercial and strategic stockpiling of oil, and lower bunker fuel costs for ship owners. Finally, tanker fleet growth remained low with just 2 percent growth in the crude tanker fleet.

The fourth quarter of 2015 was particularly strong, led by the large crude tanker sectors. This strength was driven by firm underlying fundamentals coupled with seasonal and one-off factors. The fourth quarter saw the onset of winter weather delays, including an increase in transit time through the Turkish Straits and fog in the US Gulf. Ullage-related delays resulted in increased waiting times at discharge ports due to logistical constraints, which further added to rate volatility during the fourth quarter.

Looking ahead, the Company anticipates that many of the positive fundamentals which existed in 2015 will persist during 2016. Global oil demand is forecast to grow by 1.3 mb/d in 2016 (based on the average of IEA, EIA, and OPEC forecasts). While this is a decrease from 2015 oil demand growth of 1.7 mb/d, it is above the average growth rate of 1.0 mb/d over the last decade. Global oil production is anticipated to remain high with no change to OPEC policy expected in 2016. Furthermore, the return of Iranian production is projected to add up to 0.5 mb/d of additional supply in 2016, further adding to global crude oil exports and keeping oil prices relatively low. Finally, while tanker fleet growth is set to increase in 2016, the tanker fleet growth is relatively modest for the mid-size sectors with anticipated tanker fleet growth of 4.5 percent and 4.0 percent in the Suezmax and Aframax/LR2 fleets, respectively, which compares favorably to the average fleet growth in the last decade of approximately 5.0 percent per annum. Furthermore, the fleet growth is weighted towards the second half of the year and thus, the full impact should be felt more in 2017 than in 2016.

In addition to positive supply and demand fundamentals, changing trade patterns is expected to benefit the mid-size tanker sectors in 2016. Although it is not expected to immediately translate into an influx of U.S. crude oil onto global markets, the relaxation of the U.S. crude oil export ban is already resulting in an increase in European and West African imports to the U.S. Atlantic coast. The spread between the WTI and Brent oil price has narrowed enough to make seaborne transportation more economical than rail or truck from domestic producers. Mid-sized tanker markets could also benefit from the expansion of the Panama Canal in May 2016 as it will facilitate trade movements between the Atlantic and the Pacific, including crude and condensate exports from the U.S. Gulf to Asian markets.

Overall, the Company expects that 2016 will be a strong year for crude tanker rates driven by high levels of global oil supply, rising oil demand, low oil prices, changing trade routes, and a manageable level of fleet growth.

Tanker Investments' Fleet as of January 20, 2016

Vessel Name	Type	Built	Delivery Date
Tianlong Spirit	Suezmax	2009	February 28, 2014
Jiaolong Spirit	Suezmax	2009	February 28, 2014
Shenlong Spirit	Suezmax	2009	February 28, 2014
Dilong Spirit	Suezmax	2009	February 28, 2014
Tarbet Spirit	Aframax	2009	March 10, 2014
Emerald Spirit	Aframax	2009	April 10, 2014
Whistler Spirit	Aframax	2010	May 2, 2014
Hovden Spirit	Coated Aframax	2012	June 2, 2014
Trysil Spirit	Coated Aframax	2012	June 19, 2014
Garibaldi Spirit	Aframax	2009	June 20, 2014
Blackcomb Spirit	Aframax	2010	June 30, 2014
Peak Spirit	Aframax	2011	October 24, 2014
Baker Spirit	Suezmax	2009	July 16, 2015
Cascade Spirit	Suezmax	2009	August 5, 2015
Aspen Spirit	Suezmax	2009	August 6, 2015
Copper Spirit	Suezmax	2010	August 6, 2015
Tahoe Spirit	Suezmax	2010	August 7, 2015
Vail Spirit	Suezmax	2009	August 14, 2015

Liquidity

As of December 31, 2015, Tanker Investments had total liquidity of approximately USD 68.4 million, including $43.4 million of cash and an undrawn revolving credit facility.

Share Repurchase Update

As of December 31, 2015, Tanker Investments had 33,682,881 shares outstanding, net of the repurchased shares.

During January 2016, the Company repurchased 0.366 million shares for a total cost of USD 4.16 million and as a result, completed the USD 60 million share repurchase program.

On February 8, 2016, Tanker Investments announced that the Company's board of directors had authorized a new share repurchase program to repurchase up to USD 60 million of the Company's common stock. Since the implementation of the new program, the Company has repurchased 1.48 million shares for a cost of NOK 118.2 million, or USD 13.8 million.

Conference Call

Tanker Investments plans to host a conference call on February 18, 2016 at 10 a.m. (EST) / 4 p.m. (CET) to discuss its results for the fourth quarter of 2015. An accompanying investor presentation will be available on the Company's website at www.tankerinvestments.com prior to the start of the call. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

- By dialing 1-800-499-4035 or 1-416-204-9269, if outside of North America, and quoting conference ID code 9354761.
- By accessing the webcast, which will be available on Tanker Investments' website at www.tankerinvestments.com (the archive will remain on the website for a period of 30 days).

The conference call will be recorded and available until March 3, 2016. This recording can be accessed following the live call by dialing 1-888-203-1112 or 1-647-436-0148, if outside North America, and entering access code 9354761.

About Tanker Investments Ltd.

Tanker Investments Ltd. is a specialized investment company focused on the tanker market. Tanker Investments Ltd. was formed in January 2014 to operate and sell modern secondhand tankers to benefit from cyclical fluctuations in the tanker market. Tanker Investments' fleet consists of 18 modern tankers.

Tanker Investments' common stock trades on the Oslo Stock Exchange under the symbol "TIL".

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TANKER INVESTMENTS LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands of U.S. dollars, except share and per share amounts)

	Three months ended December 31, 2015 $	Three months ended December 31, 2014 $	Year ended December 31, 2015 $	Date of Incorporation January 10, 2014 to December 31, 2014 $
Net pool revenues *(note 8c)*	60,365	24,437	181,307	49,484
Voyage revenues	9,806	6,935	29,527	30,607
Total revenues	70,171	31,372	210,834	80,091
Voyage expenses	(2,977)	(3,990)	(12,346)	(20,893)
Vessel operating expenses *(note 8c)*	(19,425)	(11,757)	(59,126)	(32,823)
Depreciation and amortization	(10,293)	(6,385)	(32,893)	(16,042)
General and administrative *(note 8c)*	(1,888)	(1,373)	(6,285)	(4,069)
Income from operations	35,588	7,867	100,184	6,264
Interest expense *(notes 4 and 8a)*	(6,090)	(3,499)	(22,308)	(9,175)
Interest income	56	15	149	472
Other expenses *(note 5)*	(1,095)	(643)	(2,227)	(681)
Net income (loss) and comprehensive income (loss)	28,459	3,740	75,798	(3,120)
Per common share of Tanker Investments Ltd. *(note 9)*				
• Basic earnings (loss) attributable to common stockholders of Tanker Investments Ltd.	0.79	0.10	2.07	(0.09)
• Diluted earnings (loss) attributable to common stockholders of Tanker Investments Ltd.	0.78	0.10	2.03	(0.09)
Weighted average number of common shares outstanding *(note 9)*				
• Basic	35,950,158	37,413,657	36,697,394	34,279,507
• Diluted	36,555,044	37,573,504	37,261,602	34,279,507
Total number of common shares outstanding at end of period	33,682,881	36,974,851	33,682,881	36,974,851

Related party transactions *(note 8)*

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TANKER INVESTMENTS LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(in thousands of U.S. dollars)

	As at December 31, 2015 $	As at December 31, 2014 $
ASSETS		
Current		
Cash and cash equivalents	43,420	69,592
Pool receivables from affiliates, net (*note 8c*)	31,920	13,690
Accounts receivable	5,574	5,744
Due from affiliates	45	1,041
Prepaid expenses and other current assets	7,767	7,096
Vessels held for sale *(note 10)*	150,286	-
Total current assets	239,012	97,163
Vessels and equipment		
At cost, less accumulated depreciation of $48.9 million (December 31, 2014 - $16.0 million)	763,096	619,159
Due from affiliates *(note 8c)*	25,268	19,939
Other non-current assets	246	1,671
Total assets	1,027,622	737,932
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
Accounts payable	3,473	1,734
Accrued liabilities *(note 8d)*	12,194	11,174
Current portion of long-term debt *(note 4)*	144,309	27,233
Due to affiliates	2,136	3,275
Total current liabilities	162,112	43,416
Long-term debt *(note 4)*	437,370	303,961
Other long-term liabilities (*note 5*)	2,789	626
Total liabilities	602,271	348,003
Commitments and contingencies *(note 8e)*		
Stockholders' Equity		
Common stock ($0.001 par value; 400 million shares authorized; 33.7 million shares issued and 37.0 million shares outstanding) (37.0 million – December 31, 2014) *(note 7)*	34	37
Preferred stock ($0.001 par value; 100 million shares authorized; 2 shares issued and outstanding) *(note 7)*	1	1
Additional paid-in capital *(note 7)*	357,831	392,800
Retained earnings (deficit)	67,485	(2,909)
Total stockholders' equity	425,351	389,929
Total liabilities and stockholders' equity	1,027,622	737,932

Subsequent events *(note 11)*

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TANKER INVESTMENTS LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of U.S. dollars)

	Year Ended December 31, 2015 $	Date of Incorporation January 10, 2014 to December 31, 2014 $
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net income (loss)	75,798	(3,120)
Non-cash items:		
Depreciation and amortization	32,893	16,042
Other	3,319	723
Change in non-cash working capital items related to operating activities	(19,281)	(14,104)
Expenditures for drydocking	(6,573)	(15,911)
Net operating cash flow	**86,156**	**(16,370)**
FINANCING ACTIVITIES		
Proceeds from equity offering and initial public offering *(note 7)*	-	421,966
Issuance costs of equity offering and initial public offering *(note 7)*	-	(13,859)
Repayments of long-term debt	(38,652)	(14,599)
Prepayments of long-term debt	(59,675)	
Drawdown of revolving credit facility, net of issuance costs *(note 4)*	347,131	181,075
Repurchase of common stock (*note 7*)	(40,589)	(15,253)
Net financing cash flow	**208,215**	**559,330**
INVESTING ACTIVITIES		
Acquisition of Dilong Spirit LLC, Shenlong Spirit LLC, Tianlong Sprit LLC and Jiaolong Spirit LLC	-	(11,045)
Acquisition of Alpha VLCC LLC and Beta VLCC LLC	-	(155,658)
Expenditures for vessels and equipment	(320,543)	(306,665)
Net investing cash flow	**(320,543)**	**(473,368)**
(Decrease) increase in cash and cash equivalents	**(26,172)**	**69,592**
Cash and cash equivalents, beginning of the period	69,592	-
Cash and cash equivalents, end of the period	**43,420**	**69,592**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

TANKER INVESTMENTS LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands of U.S. dollars, except share amounts)

	Thousands of Shares of Common Stock Outstanding #	Common Stock $	Shares of Preferred Stock Outstanding #	Preferred Stock $	Additional Paid-In Capital $	(Deficit) / Retained Earnings $	Total Stockholders' Equity $
Balance as at January 10, 2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net loss	-	-	-	-	-	(3,120)	(3,120)
Proceeds from equity offering, net of offering costs of 6.4 million (*note 7*)	25,000	25	2	1	243,579	-	243,605
Proceeds from IPO, net of offering costs of $7.5 million (*note 7*)	13,413	13	-	-	164,489	-	164,502
Shares issued as compensation (*note 7*)	17	-	-	-	195	-	195
Repurchase of Common stock (*note 7*)	(1,455)	(1)	-	-	(15,463)	211	(15,253)
Balance as at December 31, 2014	**36,975**	**37**	**2**	**1**	**392,800**	**(2,909)**	**389,929**
Net income	-	-	-	-	-	75,798	75,798
Shares issued as compensation *(note 7)*	19	-	-	-	213	-	213
Repurchase of Common Stock (*note 7)*	(3,311)	(3)	-	-	(35,182)	(5,404)	(40,589)
Balance as at December 31, 2015	**33,683**	**34**	**2**	**1**	**357,831**	**67,485**	**425,351**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

1. Basis of Presentation and Nature of Operations

On January 10, 2014, Teekay Corporation (or *Teekay*) and Teekay Tankers Ltd. (or *Teekay Tankers*) formed Tanker Investments Ltd., under the laws of the Republic of the Marshall Islands. Tanker Investments Ltd. and its subsidiaries (collectively the *Company*) engage in the ownership and operation of crude oil tankers. The Company has adopted a December 31 fiscal year-end. At December 31, 2015, the Company's fleet included 20 vessels (December 31, 2014 – 14 vessels).

On February 28, 2014, the Company acquired four single-ship wholly-owned subsidiaries (the *LLCs*) from Teekay, each of which owns one 2009-built Suezmax oil tanker and is a borrower to a loan agreement (see note 4), in exchange for $11.0 million, which consists of $163.2 million for the vessels, $10.9 million for working capital less $163.1 million for the assumption of existing debt. The LLCs consist of the Dilong Spirit LLC, Shenlong Spirit LLC, Tianlong Spirit LLC and the Jiaolong Spirit LLC. The Company did not commence operations until the purchase of the LLCs. Subsequently, the Company has acquired additional vessels, including from related parties.

These unaudited interim consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles (or *GAAP*). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Certain information and footnote disclosures required by GAAP for complete annual financial statements have been omitted and, therefore these interim unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014. In the opinion of management, these unaudited interim consolidated financial statements reflect all adjustments, consisting solely of a normal recurring nature, necessary to present fairly, in all material respects, the Company's consolidated financial position, results of operations, and cash flows for the period presented. Significant intercompany balances and transactions have been eliminated upon consolidation.

2. Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (or *FASB*) issued Accounting Standards Update 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity (or *ASU 2014-08*) which raises the threshold for disposals to qualify as discontinued operations. A discontinued operation is now defined as: (i) a component of an entity or group of components that has been disposed of or classified as held for sale and represents a strategic shift that has or will have a major effect on an entity's operations and financial results; or (ii) an acquired business that is classified as held for sale on the acquisition date. ASU 2014-08 also requires additional disclosures regarding discontinued operations, as well as material disposals that do not meet the definition of discontinued operations (see note 10). ASU 2014-08 was adopted on January 1, 2015. The impact, if any, of adopting ASU 2014-08 on the Company's financial statements will depend on the occurrence and nature of disposals that occur after ASU 2014-08 is adopted.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (or *ASU 2014-09*). ASU 2014-09 will require an entity to recognize revenue when they transfer promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This update creates a five-step model that requires entities to exercise judgment when considering the terms of the contract(s) which include (i) identifying the contract(s) with the customer, (ii) identifying the separate performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the separate performance obligations, and (v) recognizing revenue as each performance obligation is satisfied. ASU 2014-09 is effective for interim and annual periods beginning after December 15, 2017 and shall be applied, at the Company's option, retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is evaluating the effect of adopting this new accounting guidance.

In April 2015, the FASB issued Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (or *ASU 2015-03*). The Company adopted ASU 2015-03 effective December 31, 2015. Prior period information has been retrospectively adjusted. Prior to the adoption of ASU 2015-03, all debt issuance costs were presented as other non-current assets in the Company's consolidated balance sheets. With the adoption of ASU 2015-03 the Company presents those debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability in the Company's balance sheet. Debt issuance costs related to loan facilities without a recognized debt liability will continue to be presented as non-current assets in the Company's balance sheet. As a result of adopting ASU 2015-03, other non-current assets and total assets have decreased by $4.5 million (December 31, 2015) and $2.8 million (December 31, 2014), current portion of long-term debt and current liabilities have decreased by $0.9 million (December 31, 2015) and $1.0 million (December 31, 2014), long-term debt has decreased by $3.6 million (December 31, 2015) and $1.8 million (December 31, 2014) and total liabilities has decreased by $4.5 million (December 31, 2015) and $2.8 million (December 31, 2014). Such changes have also impacted the carrying value of long-term debt (see note 4).

3. Significant Accounting Policies

Acquisitions

The unaudited consolidated financial statements include the operations of an acquired business after the completion of the acquisition. Acquired businesses are accounted for using the acquisition method of accounting, which requires, among other things, that most assets are acquired and liabilities assumed to be recognized at their estimated fair values as of the acquisition date. Transaction costs are expensed as incurred. Any excess of the consideration transferred over the assigned values of the net assets acquired would be recorded as goodwill.

Cash and cash equivalents

The Company classifies all highly liquid investments with an original maturity date of three months or less as cash and cash equivalents.

(all tabular amounts stated in thousands of U.S. dollars, except share and per share amounts)

Accounts receivable and allowance for doubtful accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in existing accounts receivable. The Company determines the allowance based on historical write-off experience and customer economic data. The Company reviews the allowance for doubtful accounts regularly and past due balances are reviewed for collectability. Account balances are charged off against the allowance when the Company believes that the receivable will not be recovered. There are no significant amounts recorded as allowance for doubtful accounts as at December 31, 2015.

Vessels and equipment

The acquisition costs incurred to restore used vessels purchased by the Company to the standard required to properly service the Company's customers are capitalized. All other pre-delivery costs required to obtain the expected service potential of the vessel over its estimated useful life are expensed as incurred.

Vessel capital modifications include the addition of new equipment or can encompass various modifications to the vessel which are aimed at improving or increasing the operational efficiency and functionality of the asset. This type of expenditure is capitalized and depreciated over the estimated useful life of the modification. Expenditures covering recurring routine repairs or maintenance are expensed as incurred.

Generally, the Company dry docks each vessel every two and a half to five years. The Company capitalizes a substantial portion of the costs incurred during dry docking and amortizes those costs on a straight-line basis over their estimated useful life, which typically is from the completion of a dry docking or intermediate survey to the estimated completion of the next dry docking. The Company includes in capitalized dry docking those costs incurred as part of the dry dock to meet classification and regulatory requirements. The Company expenses costs related to routine repairs and maintenance performed during dry docking that do not improve or extend the useful lives of the assets. When significant dry docking expenditures occur prior to the expiration of the original amortization period, the remaining unamortized balance of the original dry docking cost is expensed in the month of the subsequent dry docking.

Dry-docking activities for the year ended December 31, 2015 and the period from date of incorporation January 10, 2014 to December 31, 2014 are summarized as follows:

	Year ended December 31, 2015 $	Date of Incorporation January 10, 2014 to December 31, 2014 $
Balance at beginning of the year	14,994	-
Cost incurred for dry docking	6,460	15,855
Dry-docking amortization	(3,933)	(861)
Balance at end of the year	17,521	14,994

Depreciation is calculated on a straight-line basis over a vessel's estimated useful life, less an estimated residual value. Depreciation is calculated using an estimated useful life for vessels of 25 years.

Vessels and equipment that are held and used are assessed for impairment when events or circumstances indicate the carrying amount of the asset may not be recoverable. If the asset's net carrying value exceeds the net undiscounted cash flows expected to be generated over its remaining useful life, the carrying amount of the asset is reduced to its estimated fair value. Estimated fair value is determined based on discounted cash flows or appraised values. In cases where an active second hand sale and purchase market does not exist, the Company uses a discounted cash flow approach to estimate the fair value of an impaired vessel. In cases where an active second hand sale and purchase market exists, an appraised value is generally the amount the Company would expect to receive if it were to sell the vessel. Such appraisal is normally completed by the Company.

Debt issuance costs

Debt issuance costs related to a recognized debt liability, including fees, commissions and legal expenses, are deferred and presented as a direct deduction from the carrying amount of that debt liability and amortized on an effective interest rate method over the term of the relevant loan. Amortization of debt issuance costs is included in interest expense. If there is no recognized debt liability, the debt issuance costs are deferred and presented as other non-current assets.

Income taxes

The Company recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Company's financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

(all tabular amounts stated in thousands of U.S. dollars, except share and per share amounts)

The Company has incurred no income taxes for the period from date of incorporation January 10, 2014 to December 31, 2015. The Company believes that it and its subsidiaries are not subject to taxation under the laws of the Republic of The Marshall Islands and qualify for the Section 883 exemption for U.S. federal income tax purposes.

Repurchase of common stock

The Company accounts for repurchases of common stock by reducing common stock and additional paid in capital by the carrying value of the stock repurchased and the difference between the repurchase price and the carrying value of the stock repurchased is allocated to retained earnings (deficit).

Stock purchase warrants

The Company has issued warrants to purchase shares of its common stock. Warrants have been accounted for as equity with a nominal value.

Operating revenues and expenses

Revenues and voyage expenses of the vessels operating in a pooling arrangement are pooled and the resulting net pool revenues, calculated on a time charter equivalent basis, are allocated to the pool participants according to an agreed formula. The agreed formula generally allocates revenues to pool participants on the basis of the number of days a vessel operates in the pool with weighting adjustments made to reflect vessels' differing capacities and performance capabilities. The same revenue and expense recognition principles stated above are applied in determining the net pool revenues of the pool. The pools are responsible for paying voyage expenses and distribute net pool revenues to the participants. The Company accounts for the net allocation from the pool as revenues and amounts due from the pool are included in pool receivables from affiliates.

All revenues from voyage charters are recognized on a proportional performance method. The Company uses a discharge-to-discharge basis in determining the proportional performance for all spot voyages. The Company does not begin recognizing revenue until a charter has been agreed to by the customer and the Company, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. The consolidated balance sheet reflects the deferred portion of revenues and expenses, which will be earned in subsequent periods.

Voyage expenses are all expenses unique to a particular voyage, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. The Company, as shipowner, pays voyage expenses under voyage charters. Vessel operating expenses include crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. The Company pays vessel operating expenses under voyage charters and for vessels which earn net pool revenue. Voyage expenses and vessel operating expenses are recognized when incurred.

The Company recognizes revenues from time charters daily over the term of the charter as the applicable vessel operates under the charter. The Company does not recognize revenues during days that the vessel is off hire. When the time charter contains a profit-sharing agreement, the Company recognizes the profit-sharing or contingent revenues when the contingency is resolved.

Currency translation

The Company's functional currency is the U.S. dollar. Transactions involving other currencies are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in currencies other than the U.S. dollar are translated to reflect the period-end exchange rates. Resulting gains or losses are reflected in other expenses in the accompanying consolidated statement of loss.

Earnings (loss) per common share

The computation of basic earnings (loss) per share is based on the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the exercise of all dilutive stock purchase warrants using the treasury stock method. The computation of diluted loss per share does not assume warrants are exercised.

4. Long-Term Debt

	December 31, 2015 $	December 31, 2014 $
Revolving Credit Facilities due through 2020	348,608	181,087
Term Loan due through 2021	141,115	152,910
Term Loan due June 30, 2016	96,450	-
Total principal	586,173	333,997
Less unamortized discount and debt issuance costs	(4,494)	(2,803)
Total debt	581,679	331,194
Less current portion	(144,309)	(27,233)
Long-term portion	437,370	303,961

As of December 31, 2015, the Company had two revolving credit facilities available, which, as at such date, provided for borrowings of up to a maximum of $373.6 million (December 31, 2014 - $295.6 million). Based on the vessels provided as collateral as at December 31, 2015, which were first-priority mortgages granted on 14 of the Company's vessels, the borrowings available to the Company under its revolving credit facilities was $373.6 million, of which $348.6 million was drawn (December 31, 2014 – $219.6 million, of which $181.1 million was drawn). Interest payments are based on LIBOR plus margins. At December 31, 2015, the three month LIBOR was 0.50% and the margin was between 3.00% and 3.50% (December 31, 2014 – 0.24% and 3.00%, respectively). The margin ranges from 2.75% to 3.50%, depending on the fair market value of the vessels provided as collateral relative to the amount drawn on the credit facilities. At December 31, 2015 the total drawn amount available under the credit facilities reduces by $36.9 million (2016), $36.9 million (2017), $36.9 million (2018), $143.7 million (2019) and $94.2 million (2020). The credit facilities contain a covenant that requires the Company to maintain a free liquidity of not less than the lower of (i) $25.0 million and (ii) $2.0 million per vessel owned as long as the number of vessels owned by the Company is less than 25. If the Company owns 25 or more vessels, the covenant requires the Company to maintain a free liquidity of the aggregate of (i) $25.0 million and (ii) $1.3 million multiplied by the number of vessels owned by the Company in excess of 25. The Company is also required to maintain a minimum capitalization ratio, a minimum level of tangible net worth and from and including the second quarter of 2015, a minimum ratio of net income before interest and certain non-cash items to interest expense. As at December 31, 2015, the Company was in compliance with all its covenants in respect of these credit facilities.

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As of December 31, 2015, the Company had one term loan outstanding with an outstanding balance of $141.1 million (December 31, 2014 - $152.9 million), repayable by 2021. Of this amount, $54.0 million bears interest at LIBOR plus a margin of 0.50% and the remaining $87.1 million bears interest at a fixed rate of 5.37% (December 31, 2014 - $55.8 million and $97.1 million, respectively). The loan is collateralized by four of the Company's vessels, together with other related security. In addition, the loan requires Teekay (the Guarantor) to maintain a minimum liquidity (cash and cash equivalents) of at least $100.0 million and an aggregate of free cash and undrawn committed revolving credit lines with at least six months to maturity of at least 7.5% of Teekay's total consolidated debt which has recourse to Teekay. As at December 31, 2015, Teekay was in compliance with all their covenants in respect of the Term Loan.

As of December 31, 2015 the Company had a term loan outstanding with an outstanding balance of $96.5 million, repayable by June 30, 2016. The loan bears interest at LIBOR plus a margin of 3.50%. The loan is collateralized by two of the Company's vessels.

The weighted-average effective interest rate on the Company's long-term debt as at December 31, 2015 was 3.50%, excluding the guarantee fee paid to Teekay (see note 8a). The aggregate annual principal repayments required to be made by the Company subsequent to December 31, 2015 are $145.2 million (2016), $48.9 million (2017), $49.0 million (2018), $155.9 million (2019), $106.6 million (2020) and $80.6 million (2021).

5. Other Long-Term Liabilities

The Company recognizes freight tax expenses in other expenses in its unaudited consolidated statements of income (loss). The Company does not presently anticipate its uncertain estimated tax positions will significantly increase or decrease in the next 12 months; however, actual developments could differ from those currently expected.

The following is a roll-forward of the Company's freight tax expenses which are recorded in the consolidated balance sheet in other long-term liabilities, from January 1, 2015 to December 31, 2015:

	Year ended December 31, 2015 $	Year ended December 31, 2014 $
Balance at the beginning of the year	-	626
Freight tax expense	626	2,163
Balance at the end of the year	626	2,789

The remainder of the amounts recorded in other expenses in the unaudited consolidated statements of income (loss) relate to foreign exchange gains and losses.

6. Fair Value Measurements

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents – The fair value of the Company's cash and cash equivalents approximates its carrying amounts in the accompanying balance sheet.

Long-term debt – The fair value of the Company's fixed-rate and variable-rate long-term debt is based on estimates using discounted cash flow analyses, based on rates currently available for debt with similar terms and remaining maturities and the current credit worthiness of the Company.

The Company categorizes its fair value estimates using a fair value hierarchy based on the inputs used to measure fair value. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

(all tabular amounts stated in thousands of U.S. dollars, except share and per share amounts)

The following table includes the estimated fair value, carrying value and categorization using the fair value hierarchy of those assets and liabilities that are measured at their estimated fair value on a recurring and non-recurring basis, as well as certain financial instruments that are not measured at fair value.

		December 31, 2015		December 31, 2014	
	Fair Value Hierarchy Level	Carrying Amount Asset / (Liability) $	Fair Value Asset / (Liability) $	Carrying Amount Asset / (Liability) $	Fair Value Asset / (Liability) $
Cash and cash equivalents	Level 1	43,420	43,420	69,592	69,592
Long-term debt, including current portion	Level 2	(581,679)	(582,511)	(331,194)	(331,317)

7. Capital Stock and Warrants

Tanker Investments Ltd. was incorporated on January 10, 2014. The authorized capital stock of Tanker Investments Ltd. is 400,000,000 shares of Common Stock, with a par value of $0.001 per share and 100,000,000 shares of Preferred Stock, with a par value of $0.001 per share. Two Series of Preferred Stock have been created, Series A-1 Preferred and Series A-2 Preferred (collectively *Series A Preferred shares*). The authorized number of Series A-1 Preferred shares and Series A-2 Preferred shares is one share for each series. As at December 31, 2015, the Company held 1.5 million shares of Common Stock in treasury.

During January 2014, the Company issued 25.0 million shares of Common Stock, 1 Series A-1 Preferred share, 1 Series A-2 Preferred share and stock purchase warrants entitling the holders to purchase, in aggregate, up to 1.5 million shares of Common Stock, in exchange for gross proceeds of $250.0 million (or the *Equity Offering*). The Company incurred approximately $6.4 million of costs associated with the Equity Offering.

The stock purchase warrants entitle the holders to purchase, in aggregate, up to 1.5 million shares of Common Stock at a fixed price of $10.00 per share, which price was equivalent to 61.67 Norwegian Kroner (or *NOK*) on the date the warrants were issued. Alternatively, if the Common Stock trades on a National Stock Exchange or over-the-counter market denominated in Norwegian Kroner, the holders may also exercise the stock purchase warrants at 61.67 NOK per share using a cashless exercise procedure. This procedure reduces the amount of shares that would be issued by the Company from a cash exercise of all vested warrants and instead has the Company issue an amount of shares, valued at their prevailing NOK market price, that is equal in value to the net gain to the warrant holder that would have resulted from exercising those warrants for 61.67 NOK and immediately selling the exercise shares at that prevailing NOK market price. The stock purchase warrants expire on January 23, 2019. For purposes of vesting, the stock purchase warrants are divided into four equally sized tranches. If the Common Stock trades on a National Stock Exchange or over-the-counter market denominated in Norwegian Kroner each tranche will vest and become exercisable when and if the fair market value of a share of the Common Stock equals or exceeds 77.08 NOK, 92.50 NOK, 107.91 NOK and 123.33 NOK for such tranche for any ten consecutive trading days in which there is a cumulative trading volume of at least NOK 12.333 million. The stock purchase warrants will automatically and fully vest and become exercisable immediately prior to (a) certain mergers or consolidations involving the Company, (b) the sale or other disposition of all or substantially all of the Company's assets or (c) the acquisition by a person, entity or affiliated group (other than Teekay, Teekay Tankers or any of their affiliates) of over 50% of the then outstanding shares of Common Stock. At December 31, 2015, the first two tranches of the stock purchase warrants had vested.

On March 21, 2014, the Company issued 13.4 million shares of Common Stock in exchange for gross proceeds of $172.0 million, in connection with the Company's initial public offering and listing of the Company's shares of Common Stock on the Oslo Stock Exchange (or the *IPO*). The Company incurred approximately $7.5 million of costs associated with the IPO.

In July 2014, a total of 17,172 shares of Common Stock, with an aggregate value of $0.2 million, were granted to the Company's non-management directors as part of their annual compensation for 2014. These shares were issued from the 400,000,000 shares of Common Stock authorized under Tanker Investments Ltd.'s articles of incorporation.

On October 27, 2014, the Company had announced that its Board of Directors had authorized the repurchase of up to $30 million of its Common Stock in the open market. On September 27, 2015 the Company announced the Board of Directors had authorized a $30 million upsize to the share repurchase program, increasing the total amount authorized to $60 million. As at December 31, 2015, the Company had repurchased cumulatively 4.8 million shares of its Common Stock for $55.8 million.

In March 2015, a total of 19,320 shares of Common Stock, with an aggregate value of $0.2 million, were granted to the Company's non-management directors as part of their annual compensation for 2015. These shares were issued from the 400,000,000 shares of Common Stock authorized under Tanker Investments Ltd.'s articles of incorporation.

As at December 31, 2015, Teekay owned 2.5 million shares of Common Stock, 1 Series A-1 Preferred share and a stock purchase warrant entitling it to purchase, in aggregate, up to 0.75 million shares of Common Stock. As at December 31, 2015, Teekay Tankers owned 3.4 million shares of Common Stock, 1 Series A-2 Preferred share and a stock purchase warrant entitling it to purchase, in aggregate, up to 0.75 million shares of Common Stock. Teekay Tankers is a controlled subsidiary of Teekay.

8. Related Party Transactions, Commitments and Contingencies

a) Teekay is a guarantor to the borrowers' obligations under the Term Loan. The Company has agreed to pay to Teekay an annual guarantee fee of 0.25% of the outstanding balance under the Term Loan as consideration for Teekay's continuing guarantee. The Company has also agreed to indemnify Teekay for any losses Teekay suffers for claims made against it pursuant to the guarantee. As a guarantor under the Term Loan, Teekay is required to maintain certain financial covenants. A breach by Teekay of its financial covenants would constitute an event of default under the Term Loan. The guarantee fee was $0.1 million for the three months ended December 31, 2015 and December 31, 2014. The guarantee fee was $0.4 million and $0.3 million for the year ended December 31, 2015 and the period from date of incorporation January 10, 2014 to December 31, 2014, respectively.

(all tabular amounts stated in thousands of U.S. dollars, except share and per share amounts)

b) The Company has entered into a non-competition agreement (the "Non-Competition Agreement") with Teekay and Teekay Tankers, in which the Company has agreed that until January 2029, no member of the Company shall (a) own, lease, operate or charter any (i) dynamically-positioned shuttle tanker, (ii) floating storage and offtake unit, (iii) floating production, storage and offloading unit or (iv) liquefied natural gas or liquefied petroleum gas carrier or (b) engage in or acquire or invest in any business (each a "Restricted Business") that owns, leases, operates or charters any such shuttle tanker, unit or carrier; provided, however, that the acquisition of up to a 9.9% equity ownership, voting or profit participation interest in any publicly traded entity that engages in a Restricted Business is permitted. This provision of the Non-Competition Agreement automatically terminates, expires and has no further force and effect on the date that Teekay and its affiliates, no longer retain beneficial ownership of at least (a) an aggregate of 5,000,000 Shares, so long as Teekay and Teekay Tankers remain affiliates, or (b) 2,500,000 Shares, if Teekay and Teekay Tankers no longer are affiliates.

c) Under the Management Agreement, the Fleet Manager, an affiliate of Teekay and as the exclusive manager, is responsible for providing the Company with commercial management services for vessels not in a pooling arrangement ($350 per vessel per day plus 1.25% of the gross revenue attributable to the vessel), ship management services ($21,250 per vessel per month), corporate services ($816 per vessel per day) and transaction services for buying, constructing or selling vessels (1% of transaction price). Subject to certain termination rights, the initial term of the Management Agreement ends in January 2029. Compensation for certain of the services provided for under the Management Agreement are adjustable in future periods based on changes to inflation indexes and market rates. In addition, the Company and the Fleet Manager intend that all of the Company's Suezmax, Aframax and VLCC tankers participate in commercial pooling arrangements managed by affiliates of Teekay. Pursuant to the pooling agreement in respect of the Suezmax vessels in the Gemini Tankers Suezmax Pool, the Pool Operator provides certain commercial services to the pool participants and administers the pool in exchange for a fee currently equal to 1.25% of the gross revenues attributable to each pool participant's vessels and a fixed amount per vessel per day of $325. During the fourth quarter of 2015, following a decision by the owners of the Gemini Tankers Suezmax Pool to dissolve this pooling arrangement, the Company's Suezmax vessels that were commercially managed under Gemini Tankers Suezmax Pool were transitioned to be commercially managed under a new Teekay Suezmax RSA pooling arrangement. Under the Teekay Suezmax RSA pooling arrangement, the Pool Operator provides commercial services to the pool participants and administers the pool in exchange for a fee currently equal to 1.25% of gross revenues attributable to each pool participant's vessels and a fixed amount of per vessel per day of $350. According to the pooling agreement in respect of the Aframax RSA, the Pool Operator provides certain commercial services to the pool participants and administers the pool in exchange for a fee currently equal to 1.25% of the gross revenues attributable to each pool participant's vessels and a fixed amount per vessel per day of $350. According to the pooling agreement in respect of the Taurus Tanker LR2 Pool, the Pool Operator provides certain commercial services to the pool participants and administers the pool in exchange for a fee currently equal to 1.25% on all gross freights paid to each pool participant's vessels and a fixed amount per vessel per day of $275. According to the pooling agreement in respect of the VLCC RSA, the Pool Operator provides certain commercial services to the pool participants and administers the pool in exchange for a fee currently equal to 1.25% of the gross revenues attributable to each pool participant's vessels and a fixed amount per vessel per day of $350. Amounts incurred by the Company for such services for the periods indicated below were as follows:

	Three Months Ended December 31, 2015	**Three Months Ended December 31, 2014**	**Year Ended December 31, 2015**	**Date of Incorporation January 10, 2014 to December 31, 2014**
	$	**$**	**$**	**$**
Voyage expenses – commercial management services	1,686	965	5,607	2,563
Vessel operating expenses - ship management services	1,275	890	4,185	2,464
General and administrative – corporate services	1,501	1,012	4,885	2,676
Vessels and equipment – transaction services	-	462	3,150	4,507

The amounts owing from the Pool Managers, which are reflected in the consolidated balance sheet as pool receivables from affiliates, are without interest and are repayable upon the terms contained within the pool agreement. In addition, the Company had advanced $25.3 million and $19.9 million as at December 31, 2015 and December 31, 2014, respectively, to the Pool Managers for working capital purposes. The Company may be required to advance additional working capital funds from time to time. Working capital advances are repayable to the Company when a vessel no longer participates in the pool, less any set-offs for outstanding liabilities or contingencies. These amounts owing, which are reflected in the consolidated balance sheet as due from affiliates, are without interest.

d) As at December 31, 2015 and December 31, 2014, $3.0 million and $2.4 million, respectively, was payable to a subsidiary of Teekay for reimbursement of crewing and manning costs to operate the Company's vessels and such amounts are included in accrued liabilities on the consolidated balance sheet. As at December 31, 2015 and December 31, 2014, $2.9 million and $1.9 million, respectively, was advanced to a subsidiary of Teekay to cover future non-manning vessel operating costs and such amounts are included in prepaid expenses and other current assets on the consolidated balance sheet.

e) On June 11, 2015, one of Tanker Investments' VLCC vessels, the *Hemsedal Spirit*, was struck by *Tokitsu Maru*, a crude oil tanker owned by a third party, while safely anchored at Fujirah Anchorage. At the time of the incident, the *Hemsedal Spirit* had no cargo on board. There were no injuries to personnel or pollution to sea, however the vessel was damaged as a result of the collision and went off hire. Damages to the vessel were covered by insurance and the Company paid a deductible of $0.3 million. The vessel has since been repaired and it resumed trading on June 30, 2015. Tanker Investments is seeking damages for vessel repairs and other costs associated with the incident.

(all tabular amounts stated in thousands of U.S. dollars, except share and per share amounts)

9. Earnings (Loss) Per Share

	Three Months Ended December 31, 2015 $	Three Months Ended December 31, 2014 $	Year Ended December 31, 2015 $	Date of Incorporation January 10, 2014 to December 31, 2014 $
Income (loss) attributable to stockholders of Tanker Investments Ltd.	28,459	3,740	75,798	(3,120)
Weighted average number of common shares	35,950,158	37,413,657	36,697,394	34,279,507
Dilutive effect of warrants	604,886	159,847	564,208	-
Common stock and common stock equivalents	36,555,044	37,573,504	37,261,602	34,279,507
Earnings (loss) per common share:				
• Basic	0.79	0.10	2.07	(0.09)
• Diluted	0.78	0.10	2.03	(0.09)

For the period from date of incorporation January 10, 2014 to December 31, 2014 outstanding warrants are excluded from the calculation of diluted loss per common share as their effect would be anti-dilutive. For the period from date of incorporation January 10, 2014 to December 31, 2014, the anti-dilutive effect attributable to outstanding warrants was 0.2 million shares.

10. Vessels Held for Sale

During the three months ended December 31, 2015, the Company classified two VLCC vessels, the *Hemsedal Spirit* and *Voss Spirit*, as held for sale on its unaudited consolidated balance sheet. As of December 31, 2015, the estimated fair market value of the vessels was in excess of their carrying value. The following table summarizes the pre-tax profit and components thereof for the *Hemsedal Spirit* and *Voss Spirit* for the period presented in the consolidated statements of income:

	Three months ended December 31, 2015 $	Three months ended December 31, 2014 $	Year ended December 31, 2015 $	Date of Incorporati on January 10, 2014 to December 31, 2014 $
Revenues	14,984	11,549	53,720	30,551
Voyage expenses	(2,072)	(2,015)	(7,901)	(10,928)
Vessel operating expenses	(1,662)	(1,665)	(6,667)	(4,267)
Depreciation and amortization	(1,530)	(1,438)	(6,034)	(3,747)
General and administrative	(150)	(147)	(593)	(378)
Income from vessel operations	9,570	6,284	35,525	11,231
Interest expense	(1,283)	(476)	(4,299)	(897)
Net income before income tax expense	8,287	5,808	28,226	10,334

11. Subsequent Events

Subsequent events have been evaluated through February 18, 2016, the date the financial statements were issued.

(a) On December 28, 2015 the Company announced that it agreed to sell its two, 2010-built VLCCs, the *Hemsedal Spirit* and *Voss Spirit*, for gross proceeds of $77.5 million each. Delivery to the buyers occurred during January 2016.

(b) During January 2016, the Company repurchased 0.4 million shares and as a result, completed the USD 60 million share repurchase program.

(c) On February 8, 2016 the Company announced that the Company's board of directors has authorized a new share repurchase program to repurchase up to USD 60 million of the Company's common stock. During February 2016, the Company repurchased 1.5 million shares in respect of this new share repurchase program.

TANKER INVESTMENTS LTD.
APPENDIX A – RECONCILIATION OF NON-GAAP FINANCIAL MEASURE
NET REVENUES
(U.S. dollars in Millions)

Net revenues represents revenues less voyage expenses, which comprise all expenses relating to certain voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Net revenues is a non-GAAP financial measure used by certain investors to measure the financial performance of shipping companies; however, it is not required by GAAP and should not be considered as an alternative to revenues or any other indicator of the Company's performance required by GAAP.

	Three months ended December 31, 2015 (unaudited)	**Three months ended September 30, 2015** (unaudited)	**Three months ended December 31, 2014** (unaudited)
Revenues	$70.2	$51.6	$31.4
Voyage Expenses	($3.0)	($5.2)	($4.0)
Net Revenues	$67.2	$46.4	$27.4

	Year ended December 31, 2015 (unaudited)	**Date of incorporation January 10, 2014 to December 31, 2014** (unaudited)
Revenues	$210.8	$80.1
Voyage Expenses	($12.3)	($20.9)
Net Revenues	$198.5	$59.2

TANKER INVESTMENTS LTD.
APPENDIX B – RECONCILIATION OF NON-GAAP FINANCIAL MEASURE
CASH FLOW FROM VESSEL OPERATIONS
(U.S. dollars in Millions)

Set forth below is an unaudited calculation of Tanker Investments Ltd. cash flow from vessel operations. Cash flow from vessel operations (*CFVO*), a non-GAAP financial measure, represents income from vessel operations before depreciation and amortization expense. CFVO is included because certain investors use this data to measure a company's financial performance. CFVO is not required by GAAP and should not be considered as an alternative to net income or any other indicator of the Company's performance required by GAAP.

	Three months ended December 31, 2015 (unaudited)	**Three months ended September 30, 2015** (unaudited)	**Three months ended December 31, 2014** (unaudited)
Income from vessel operations	$35.6	$18.4	$7.9
Depreciation and amortization	$10.3	$9.2	$6.4
Cash flow from vessel operations	$45.9	$27.6	$14.3

	Year ended December 31, 2015 (unaudited)	**Date of incorporation January 10, 2014 to December 31, 2014** (unaudited)
Income from vessel operations	$100.2	$6.3
Depreciation and amortization	$32.9	$16.0
Cash flow from vessel operations	$133.1	$22.3

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements which reflect management's current views with respect to certain future events and performance, including statements regarding: the crude oil and refined product tanker market fundamentals, including the balance of supply and demand in the tanker market; the expectation that the Company will generate strong cash flow; the Company's financial position and intention to return excess capital to shareholders; and the expected effect of any acquisitions on the Company's financial results. The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: changes in the production of or demand for oil; changes in trading patterns significantly affecting overall vessel tonnage requirements; greater or less than anticipated levels of tanker newbuilding orders and deliveries or greater or less than anticipated rates of tanker scrapping; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations; changes in interest rates and the financial markets; delays in the delivery of any new vessels; increases in the Company's expenses, including any dry docking expenses and associated off-hire days; and other factors discussed in Tanker Investments Ltd.'s filings from time to time with the Financial Supervisory Authority of Norway. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.