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TANKER INVESTMENTS LTD. REPORTS FOURTH QUARTER AND ANNUAL 2016 RESULTS

Hamilton, Bermuda, February 23, 2017 - Tanker Investments Ltd. (*Tanker Investments, TIL* or *the Company*) today reported its financial results for the quarter ended December 31, 2016.

Highlights:

- Reported net income of USD 2.7 million, or USD 0.09 per share, for the fourth quarter of 2016.
- Generated cash flow from vessel operations (CFVO[1]) of USD 16.6 million in the fourth quarter of 2016, compared to USD 10.2 million in the previous quarter.
- Secured a 1-year time-charter of the Aframax tanker, the *Tarbet Spirit*, at a gross rate of USD 17,000 per day which commenced in February 2017.
- As of December 31, 2016, the Company had total liquidity of approximately USD 110 million.

“Tanker Investments was well-positioned to take advantage of the seasonally strong tanker market in the fourth quarter of 2016, resulting in over USD 16.6 million of cash flow from vessel operations, and USD 0.09 per share of net income,” commented William Hung, Tanker Investments Limited’s CEO. Mr. Hung continued, “Also during the fourth quarter, we were able to lock-away another vessel on a 1-year time-charter at a rate of USD 17,000 per day, and we intend to look for additional time-charter opportunities.”

"Looking ahead to 2017, we expect tanker rates could be challenged driven by OPEC oil production cutbacks and increased shipyard deliveries of newbuildings, partially offset by new, longer-haul routes for mid-size tankers transporting Atlantic basin volumes to Asian buyers," commented Mr. Hung. "With a strong financial position, including liquidity of approximately USD 110 million, and a young, modern fleet we believe Tanker Investments is one of the best positioned tanker companies for investors to benefit from the tanker market recovery we expect to occur in 2018."

[1] Cash flow from vessel operations is a non-GAAP financial measure. Please refer to "Definitions and Non-GAAP Financial Measures” and the Appendices to this release for a definition of the term and reconciliation of this non-GAAP financial measure as used in this release to the most directly comparable financial measure under United States generally accepted accounting principles (or GAAP).

Selected Financial Information

All figures in USD millions (except per share, per day and unless otherwise specified)			
Balance Sheet Summary	**As at December 31, 2016**	**As at September 30, 2016**	**As at December 31, 2015**
Cash & Cash Equivalents	$35.1	$41.7	$43.4
Total Assets	$803.4	$816.1	$1,027.4
Total Liabilities	$378.5	$393.9	$602.0
Total Liquidity	$109.9	$113.4	$68.4
Net Debt to Capitalization(1)	43.6%	44.3%	55.8%
	Three Months Ended		
Income Statement Summary	**December 31, 2016**	**September 30, 2016**	**December 31, 2015**
Total Revenues	$32.5	$26.6	$70.2
Net Income (loss)	$2.7	$(2.9)	$28.5
Net Income (loss) per share	$0.09	$(0.09)	$0.79
Cash Flow from Vessel Operations (CFVO)(1)	$16.6	$10.2	$45.9
	Three Months Ended		
Spot Fleet - TCE rate(2)	**December 31, 2016**	**September 30, 2016**	**December 31, 2015**
Suezmax Revenue Days	916	918	905
Suezmax TCE rate per day	$23,109	$18,550	$40,861
Aframax Revenue Days	461	543	552
Aframax TCE rate per day	$16,309	$14,682	$32,008
Coated Aframax Revenue Days	184	179	184
Coated Aframax TCE rate per day	$13,354	$15,042	$27,102
VLCC Revenue Days	–	–	184
VLCC TCE rate per day	–	–	$51,719
	Three Months Ended		
Time Charter-Out Fleet - TCE rate(2)	**December 31, 2016**	**September 30, 2016**	**December 31, 2015**
Aframax Revenue Days	87	–	–
Aframax TCE rate per day	$17,203	–	–

All figures in USD millions **(except per share, per day and unless otherwise specified)**		
	Year Ended	
Income Statement Summary	**December 31, 2016**	**December 31, 2015**
Total Revenues	$152.6	$210.8
Net Income	$31.1	$75.8
Net Income per share	$1.01	$2.07
Cash Flow from Vessel Operations (CFVO)[1]	$86.6	$133.1
	Year Ended	
Spot Fleet - TCE rate[2]	**December 31, 2016**	**December 31, 2015**
Suezmax Revenue Days	3,607	2,028
Suezmax TCE rate per day	$27,122	$38,825
Aframax Revenue Days	2,082	2,163
Aframax TCE rate per day	$20,829	$32,189
Coated Aframax Revenue Days	727	730
Coated Aframax TCE rate per day	$18,543	$28,473
VLCC Revenue Days	–	678
VLCC TCE rate per day	–	$46,886
	Year Ended	
Time Charter-Out Fleet - TCE rate[2]	**December 31, 2016**	**December 31, 2015**
Aframax Revenue Days	87	–
Aframax TCE rate per day	$17,203	–

(1) These are non-GAAP financial measures. Please refer to "Definitions and Non-GAAP Financial Measures" and the Appendices to this release for a definition of the terms and reconciliation of these non-GAAP financial measures as used in this release to the most directly comparable financial measures under United States generally accepted accounting principles (or GAAP).

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

Financial Review of the Three Months and Year Ended December 2016

During the fourth quarter of 2016, total revenues decreased to USD 32.5 million from USD 70.2 million in the fourth quarter of 2015. This decrease is primarily due to lower spot tanker rates earned across the fleet in the fourth quarter of 2016 and the effects of the sale of the *Hemsedal Spirit* and *Voss Spirit* in the first quarter of 2016. During the year ended December 31, 2016, total revenues decreased to USD 152.6 million from USD 210.8 million for the year ended December 31, 2015, due primarily to lower spot tanker rates earned across the fleet in 2016. The decrease is partially offset by the larger average fleet size in operation and fewer off-hire days from vessel dry-docking in 2016.

CFVO was USD 16.6 million during the fourth quarter of 2016, which decreased from USD 45.9 million in the fourth quarter of 2015 primarily due to lower revenue earned on the Company's fleet, as described above. CFVO was USD 86.6 million during the year ended December 31, 2016 which decreased from USD 133.1 million for the same period in 2015.

Total interest expense was USD 4.4 million in the fourth quarter of 2016, compared to USD 6.1 million in the fourth quarter of 2015. This decrease is mainly due to lower average debt balances in the fourth quarter of 2016 compared to the same period in 2015. Total interest expense was USD 19.1 million for the year ended December 31, 2016, compared to USD 22.3 million for the same period in 2015.

Tanker Investments reported net income of USD 2.7 million, or USD 0.09 per share, for the fourth quarter of 2016 compared to net income of USD 28.5 million, or USD 0.79 per share, in the fourth quarter of 2015. Net income was USD 31.1 million, or USD 1.01 per share, for the year ended December 31, 2016 compared to net income of USD 75.8 million, or USD 2.07 per share, for the corresponding period in 2015.

Tanker Market Outlook

Tanker rates in 2016 softened from the highs seen in 2015, yet remained in-line with the ten-year average as a result of ongoing positive demand fundamentals. Global oil demand remained strong in 2016 with growth of 1.5 million barrels per day (*mb/d*), which was 0.4 mb/d higher than the ten-year average. Global oil supply was also strong, with record high OPEC production for 2016 of 32.6 mb/d. However, unexpected supply outages in Nigeria put pressure on mid-sized tanker demand in mid-2016. Oil prices remained in the mid-$40 per barrel range for most of 2016 before increasing in December 2016 as OPEC firmed plans for production cuts as a means to rebalance oil markets. While ongoing low prices throughout the year provided some support for tonne-mile demand through strategic and commercial stockpiling programs, record high onshore stock levels towards the second half of 2016 resulted in lower import requirements as refiners struggled with stockpile levels. Tanker fleet growth also created some downside pressure to tanker rates towards the second half of 2016 as crude tanker fleet growth reached 6% and scrapping dipped to the lowest level since 1995.

Crude tanker rates strengthened in the fourth quarter of 2016 due to expected seasonal factors, and reached a seasonal high in December 2016, as global refinery throughput, increased exports out of Nigeria, Libya, and Baltic / Black Sea ports, and winter weather delays provided support for tanker rates. Mid-sized crude tanker rates, in particular, found support from weather delays through the Turkish Straits along with increasing exports out of the U.S. Gulf. Record high Middle East OPEC crude production, averaging 25.6 mb/d in the fourth quarter of 2016, also provided a boost for crude tanker tonne-mile demand.

Strength in spot tanker rates continued into the first quarter of 2017 and resulted in significantly higher crude spot tanker rates for the first quarter of 2017 to date compared to the fourth quarter of 2016; however, crude spot tanker rates have recently started to soften due to a number of factors, including:

- Heavy refinery maintenance programs in the U.S. Gulf through the first quarter of 2017, and a heavy spring maintenance period expected in Asia;
- Fewer weather-related delays in key transit areas, including the Turkish Straits;
- Firming oil prices which have increased bunker fuel costs for shipowners and prompted crude inventory drawdowns; and
- Higher tanker fleet growth: six Suezmax tankers and nine Aframax tankers have delivered in 2017 to-date (compared to one and nine in 2016, respectively)

Looking ahead, the Company anticipates 2017 to present some headwinds to the crude tanker spot tanker market. Fleet growth is forecast to be approximately 4.5%, which is slightly lower than 2016 but in-line with the ten-year average. However, most fleet growth in 2017 will come from the mid-sized segments, with mid-size fleet growth expected to be approximately 5%. The outlook for 2018 is more positive given a lack of ordering and the expectation for increased scrapping due to an aging fleet and changes to the regulatory landscape.

Global oil demand is forecast to grow by 1.4 mb/d in 2017 (average of IEA, EIA, and OPEC forecasts), which is similar to 2016 and above the ten-year average growth rate of 1.1 mb/d. On the supply side, OPEC production cuts of approximately 1.2 mb/d, with the majority of cuts (approximately 0.8 mb/d) coming from Middle East OPEC producers, will be negative for overall crude volumes available for transport. While OPEC production cuts may continue through the year, non-OPEC production increases of approximately 0.3 mb/d are expected as firming oil prices encourage more drilling, particularly in the U.S. The result could benefit the mid-sized tanker segments from increased tonne-mile demand as oil supply in the Atlantic basin continues to grow. In addition, the Brent - Dubai spread has narrowed considerably as a result of OPEC cuts, and many crude buyers are sourcing Brent-benchmarked crudes as they become more economically attractive. These price / supply factors could offset some of the headwinds that face the crude tanker market in 2017 as they have the potential to introduce volatility into regional tanker demand, which is positive for spot tanker rates.

In summary, the Company anticipates that 2017 will present some headwinds to crude tanker rates due to cuts to OPEC production, rising oil prices, and fleet growth. However, the Company believes that this dip in the current market cycle will be relatively short and shallow. In addition, lower fleet growth, strong oil demand growth, particularly in Asia, and a potential increase in long-haul movements from the Atlantic basin to the Pacific basin is expected to provide support towards the next market upturn.

Tanker Investments' Fleet as of December 31, 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
Copper Spirit	Suezmax	2010	August 6, 2015
Aspen Spirit	Suezmax	2009	August 6, 2015
Tahoe Spirit	Suezmax	2010	August 7, 2015
Vail Spirit	Suezmax	2009	August 14, 2015

Liquidity

As of December 31, 2016, Tanker Investments had total liquidity of approximately USD 109.9 million, including USD 35.1 million of cash and USD 74.8 million of undrawn revolving credit facilities, compared to total liquidity of USD 68.4 million as at December 31, 2015.

Conference Call

Tanker Investments plans to host a conference call on February 23, 2017 at 10 a.m. (ET) / 4 p.m. (CET) to discuss the results for the fourth quarter and fiscal year 2016. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

- By dialing 1-844-254-9270 or 1-647-794-1827, if outside of North America, and quoting conference ID code 8138970.
- By accessing the webcast, which will be available on Tanker Investments' website www.tankerinvestments.com (the archive will remain on the website for a period of 30 days).

A supporting Fourth Quarter and Fiscal Year 2016 Earnings Presentation will also be available at www.tankerinvestments.com in advance of the conference call start time.

In additional to the webcast archive, the conference call will be recorded and available until Thursday, March 9, 2017. 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 8138970.

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 opportunistically operate and sell modern secondhand tankers to benefit from cyclical fluctuations in the tanker market. Tanker Investments' fleet consists of 18 vessels. Consistent with its general business strategy, TIL intends to monitor and explore consolidation opportunities that would benefit its business, market position and shareholders.

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

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Definitions and Non-GAAP Financial Measures

This release includes financial measures that are non-GAAP financial measures as defined under the rules of the European Securities and Market Authority. These non-GAAP financial measures, Cash Flow from Vessel Operations and Net Debt to Capitalization, are intended to provide additional information and should not be considered as a substitute for the measures of performance prepared in accordance with GAAP. In addition, these measures do not have a standardized meaning, and may not be comparable to similar measures presented by other companies. The Company believes that certain investors use this information to evaluate the Company's financial performance.

Cash Flow from Vessel Operations (CFVO)

Cash flow from vessel operation, a non-GAAP financial measure, is used by certain investors to measure the financial performance of shipping companies. Cash flow from vessel operations represents net (loss) income plus depreciation and amortization expense, interest expense and other expenses, less gain on sale of vessels and interest income. 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.

Net Debt to Capitalization

Net debt to capitalization, a non-GAAP financial measure, is a ratio of the Company's total debt (less cash) to its total capital and it is used to assess the Company's degree of leverage. 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.

TANKER INVESTMENTS LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended December 31, 2016 $	Three Months Ended December 31, 2015 $	Year Ended December 31, 2016 $	Year Ended December 31, 2015 $
Net pool revenues from affiliates *(note 6b)*	30,213	60,365	149,124	181,307
Time charter revenues	1,516	–	1,516	–
Voyage revenues	746	9,806	1,989	29,527
Total revenues	32,475	70,171	152,629	210,834
Voyage expenses	(165)	(2,977)	(1,480)	(12,346)
Vessel operating expenses *(notes 6b and 6c)*	(14,038)	(19,425)	(57,593)	(59,126)
Depreciation and amortization	(8,696)	(10,293)	(35,050)	(32,893)
General and administrative expenses (*note 6b*)	(1,673)	(1,888)	(6,938)	(6,285)
Gain on sale of vessels *(notes 6b and 8)*	–	–	1,228	–
Income from operations	7,903	35,588	52,796	100,184
Interest expense *(notes 2 and 6a)*	(4,378)	(6,090)	(19,124)	(22,308)
Interest income	33	56	148	149
Other expenses (*note 3)*	(878)	(1,095)	(2,690)	(2,227)
Net income	2,680	28,459	31,130	75,798
Per common share of Tanker Investments Ltd. *(note 7)*				
• Basic earnings attributable to common stockholders of Tanker Investments Ltd.	0.09	0.79	1.01	2.07
• Diluted earnings attributable to common stockholders of Tanker Investments Ltd.	0.09	0.78	1.00	2.03
Weighted average number of common shares outstanding *(note 7)*				
• Basic	30,363,561	35,950,158	30,956,253	36,697,394
• Diluted	30,363,561	36,555,044	31,037,119	37,261,602
Total number of common shares outstanding at end of period	30,363,561	33,682,881	30,363,561	33,682,881

Related party transactions (*note 6*)

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, 2016 $	As at December 31, 2015 $
ASSETS		
Current		
Cash and cash equivalents	35,073	43,420
Pool receivables from affiliates, net *(note 6b)*	12,427	31,920
Accounts receivable	21	5,574
Due from affiliates	43	45
Prepaid expenses and other current assets *(note 6c)*	6,083	7,767
Vessels held for sale	—	150,286
Total current assets	53,647	239,012
Vessels and equipment		
At cost, less accumulated depreciation of $74.2 million (December 31, 2015 - $39.1 million)	729,226	763,098
Due from affiliates *(note 6b)*	20,536	25,268
Total assets	803,409	1,027,378
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	915	3,473
Accrued liabilities and other (*note 6c*)	7,152	12,194
Current portion of long-term debt *(note 2)*	38,061	143,685
Due to affiliates	2,041	2,136
Total current liabilities	48,169	161,488
Long-term debt *(note 2)*	324,940	437,750
Other long-term liabilities *(note 3)*	5,418	2,789
Total liabilities	378,527	602,027
Commitments and contingencies (*notes 2 and 3*)		
Shareholders' Equity		
Common stock ($0.001 par value; 400 million shares authorized; 30.4 million shares issued and outstanding) (38.4 million shares issued and 33.7 million shares outstanding) *(note 5)*	31	34
Preferred stock ($0.001 par value; 100 million shares authorized; 2 shares issued and outstanding) *(note 5)*	1	1
Additional paid-in capital *(note 5)*	322,488	357,831
Retained earnings	102,362	67,485
Total shareholders' equity	424,882	425,351
Total liabilities and shareholders' equity	803,409	1,027,378

Subsequent events *(note 9)*

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, 2016 $	Year Ended December 31, 2015 $
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net income	31,130	75,798
Non-cash items:		
Depreciation and amortization	35,050	32,893
Other	3,385	5,481
Change in non-cash working capital items related to operating activities	23,769	(21,443)
Expenditures for dry-docking	(819)	(6,573)
Net operating cash flow	**92,515**	**86,156**
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt, net of issuance costs *(note 2)*	–	347,131
Prepayments of long-term debt	(178,286)	(59,675)
Repayments of long-term debt	(41,753)	(38,652)
Repurchase of common stock *(note 5)*	(31,797)	(40,589)
Other financing activities	(181)	–
Net financing cash flow	**(252,017)**	**208,215**
INVESTING ACTIVITIES		
Proceeds on disposal of vessels	151,513	–
Expenditures for vessels and equipment	(358)	(320,543)
Net investing cash flow	**151,155**	**(320,543)**
Decrease in cash and cash equivalents	(8,347)	(26,172)
Cash and cash equivalents, beginning of the year	43,420	69,592
Cash and cash equivalents, end of the year	**35,073**	**43,420**

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

TANKER INVESTMENTS LTD. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' 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	Retained Earnings	Total Shareholders' Equity
	#	$	#	$	$	$	$
Balance as at December 31, 2015	**33,683**	**34**	**2**	**1**	**357,831**	**67,485**	**425,351**
Net income	–	–	–	–	–	31,130	31,130
Shares issued as compensation (*note 5*)	26	–	–	–	198	–	198
Share buyback	(3,345)	(3)	–	–	(35,541)	3,747	(31,797)
Balance as at December 31, 2016	**30,364**	**31**	**2**	**1**	**322,488**	**102,362**	**424,882**

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

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

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, 2016, the Company's fleet included 18 vessels (December 31, 2015 - 20 vessels).

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, 2015. 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 unaudited consolidated financial position, results of operations, and cash flows for the period presented. Significant intercompany balances and transactions have been eliminated upon consolidation.

2. Long-Term Debt

	December 31, 2016 $	December 31, 2015 $
Revolving Credit Facilities due through 2020	236,917	348,608
Term Loan due through 2021	129,217	141,115
Term Loan due June 30, 2016	–	96,450
Total principal	366,134	586,173
Unamortized discount and debt issuance costs	(3,133)	(4,738)
Total debt	363,001	581,435
Less current portion	(38,061)	(143,685)
Long-term portion	324,940	437,750

As of December 31, 2016, the Company had two revolving credit facilities available, which, as at such date, provided for borrowings of up to a maximum of $311.7 million (December 31, 2015 - $373.6 million), of which $236.9 million was drawn (December 31, 2015 - $348.6 million available and fully drawn). Interest payments are based on LIBOR plus margins. At December 31, 2016, the margin was 3.38% (December 31, 2015 - 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. The two credit facilities are collateralized by first-priority mortgages on 14 (December 31, 2015 - 14) of the Company's vessels. At December 31, 2016, the total amount available under the credit facilities reduces by $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, a minimum ratio of net income before interest and certain non-cash items to interest expense and the fair market value of collateral vessels shall be equal to at least 150 percent of the drawn amount under the revolving credit facilities. As at December 31, 2016, the Company was in compliance with all its covenants in respect of these credit facilities.

As of December 31, 2016, the Company had one term loan (Term Loan) outstanding with an outstanding balance of $129.2 million (December 31, 2015 - $141.1 million), repayable by 2021. Of this amount, $52.0 million bears interest at LIBOR plus a margin of 0.50% and the remaining $77.2 million bears interest at a fixed rate of 5.37% (December 31, 2015 - $54.0 million and $87.1 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, 2016, 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 along with the related interest costs were repaid in full in the first quarter of 2016. The loan bore interest at LIBOR plus a margin of 2.50% and was collateralized by the two of the Company's vessels which were sold in the first quarter of 2016.

The weighted-average effective interest rate on the Company's long-term debt as at December 31, 2016 and December 31, 2015 was 4.11% and 3.42% respectively, excluding the guarantee fee paid to Teekay (see note 6a). The aggregate annual principal repayments required to be made by the Company subsequent to December 31, 2016 are $38.1 million (2017), $39.6 million (2018), $116.3 million (2019), $91.6 million (2020) and $80.5 million (2021).

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

3. Other Long-Term Liabilities

The Company recognizes freight tax expenses in other expenses in its unaudited consolidated statements of income. The Company does not presently anticipate its uncertain 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 unaudited consolidated balance sheets in other long-term liabilities, for the years ended December 31, 2016 and 2015:

	2016 $	2015 $
Balance at January 1	2,789	626
Changes for positions taken in prior years	144	49
Increase for positions related in the current year	2,485	2,114
Balance at December 31	5,418	2,789

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

4. Fair Value Measurements

For a description of how the Company estimates fair value and for a description of the fair value hierarchy levels, see note 6 in the Company's audited consolidated financial statements filed with its Annual Report for the year ended December 31, 2015.

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, 2016		December 31, 2015	
	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	35,073	35,073	43,420	43,420
Long-term debt, including current portion	Level 2	(363,001)	(363,703)	(581,435)	(582,511)

5. 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. Further information on the rights and restrictions related to the Common Stock as well as outstanding warrants can be found in note 7 in the Company's audited consolidated financial statements filed with its Annual Report for the year ended December 31, 2015.

On October 27, 2014, the Company announced that its Board of Directors had authorized the repurchase of up to $30.0 million of its Common Stock in the open market. On September 27, 2015, the Company announced the Board of Directors had authorized a $30.0 million upsize to the share repurchase program, increasing the total amount authorized to $60.0 million. On February 8, 2016, the Company announced that the Board of Directors had authorized a new share repurchase program for the repurchase of a further $60.0 million of the Company's common stock. As at December 31, 2016, the Company had repurchased 8.1 million shares of its Common Stock for $87.6 million. (December 31, 2015 - 4.8 million shares for $55.8 million). On July 26, 2016, the 8.1 million shares repurchased by the Company, held in treasury, were canceled.

In May 2016, a total of 25,844 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 2016. 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, 2016, 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, 2016, 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.

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

6. Related Party Transactions and Commitments

a) Teekay is a guarantor to the borrowers' obligations under the Term Loan and the Company entered into a non-competition agreement (the "Non-Competition Agreement") with Teekay and Teekay Tankers. For a detailed description of these agreements, see Notes 8 (e) and 8 (g) in the Company's audited consolidated financial statements filed with its Annual Report for the year ended December 31, 2015. The guarantee fee was $0.1 million for the three months ended December 31, 2016 and the three months ended December 31, 2015. The guarantee fee was $0.3 million and $0.4 million for the year ended December 31, 2016 and the year ended December 31, 2015, respectively.

b) Affiliates of Teekay provide management services to the Company. The terms of such agreements are contained in Note 8(h) in the Company's audited consolidated financial statements filed with its Annual Report for the year ended December 31, 2015. Amounts incurred by the Company for such services for the periods indicated below were as follows:

	Three Months Ended December 31, 2016 $	Three Months Ended December 31, 2015 $	Year Ended December 31, 2016 $	Year Ended December 31, 2015 $
Net pool revenues from affiliates – commercial management services	1,213	1,686	5,184	5,607
Vessel operating expenses - ship management services	1,156	1,275	4,768	4,185
General and administrative – corporate services	1,362	1,501	5,436	4,885
Vessels and equipment – transaction services	–	–	1,550	3,150

The amounts owing from the Pool Managers, which are reflected in the unaudited consolidated balance sheets 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 $20.5 million and $25.3 million as at December 31, 2016 and December 31, 2015, 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 unaudited consolidated balance sheets as due from affiliates, are without interest.

c) As at December 31, 2016 and December 31, 2015, $1.8 million and $3.0 million, 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 unaudited consolidated balance sheets. As at December 31, 2016 and December 31, 2015, $2.8 million and $2.9 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 unaudited consolidated balance sheets.

d) 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 was repaired and it resumed trading on June 30, 2015. As at December 31, 2015, the Company was seeking damages for vessel repairs and other costs associated with the incident. In October 2016, the Company received a loss-of-hire claim payment of $0.7 million and an insurance claim of $0.3 million as settlement recorded on the unaudited consolidated statements of income.

7. Earnings Per Share

	Three Months Ended December 31, 2016 $	Three Months Ended December 31, 2015 $	Year Ended December 31, 2016 $	Year Ended December 31, 2015 $
Net income	2,680	28,459	31,130	75,798
Weighted average number of common shares	30,363,561	35,950,158	30,956,253	36,697,394
Dilutive effect of warrants	–	604,886	80,866	564,208
Common stock and common stock equivalents	30,363,561	36,555,044	31,037,119	37,261,602
Earnings per common share:				
• Basic	0.09	0.79	1.01	2.07
• Diluted	0.09	0.78	1.00	2.03

For the three months ended December 31, 2016, warrants to acquire 1.5 million shares of Common Stock had an anti-dilutive effect on the calculation of diluted income per common share.

8. Vessels Held for Sale

During the year ended December 31, 2016, the Company sold two 2010-built VLCCs, the *Hemsedal Spirit* and *Voss Spirit*, for net proceeds of $151.5 million and recognized a $1.2 million gain related to the sale of these vessels. As of December 31, 2015, these two vessels were classified as held for sale.

9. Subsequent Events

Subsequent events have been evaluated through February 23, 2017, the date the unaudited interim consolidated financial statements were issued. No significant events occurred subsequent to the balance sheet date but prior to February 23, 2017, that would have a material impact on the unaudited consolidated financial statements.

TANKER INVESTMENTS LTD.
APPENDIX A - 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.'s cash flow from vessel operations. For a definition of this non-GAAP financial measure, please see page 7 of this earnings release.

	Three Months Ended December 31, 2016 (unaudited)	Three Months Ended September 30, 2016 (unaudited)	Three Months Ended December 31, 2015 (unaudited)
Net income (loss)	$2.7	($2.9)	$28.5
Add:			
Depreciation and amortization	$8.7	$8.9	$10.3
Interest expense	$4.4	$4.6	$6.1
Other expenses	$0.8	–	$1.1
Less:			
Interest income	–	–	($0.1)
Other income	–	($0.4)	–
Cash Flow from Vessel Operations	$16.6	$10.2	$45.9

	Year Ended December 31, 2016 (unaudited)	Year Ended December 31, 2015 (unaudited)
Net income	$31.1	$75.8
Add:		
Depreciation and amortization	$35.1	$32.9
Interest expense	$19.1	$22.3
Other expenses	$2.6	$2.2
Less:		
Gain on sale of vessels	($1.2)	–
Interest income	($0.1)	($0.1)
Cash Flow from Vessel Operations	$86.6	$133.1

TANKER INVESTMENTS LTD.
APPENDIX B - RECONCILIATION OF NON-GAAP FINANCIAL MEASURE
NET DEBT TO CAPITALIZATION
(U.S. Dollars in Millions)

Set forth below is an unaudited calculation of Tanker Investments Ltd.'s net debt to capitalization. For a definition of this non-GAAP financial measure, please see page 7 of this earnings release.

	December 31, 2016	**September 30, 2016**	**December 31, 2015**
	(unaudited)	(unaudited)	(unaudited)
Current Debt	\$38.1	\$41.2	\$143.7
Long-term Debt	\$324.9	\$336.8	\$437.8
Total Debt	\$363.0	\$378.0	\$581.5
Less:			
Cash	(\$35.1)	(\$41.7)	(\$43.4)
Net Debt	\$327.9	\$336.3	\$538.1
Equity	\$424.9	\$422.2	\$425.4
Capitalization	\$752.8	\$758.5	\$963.5
Net Debt / Capitalization	43.6%	44.3%	55.8%

FORWARD LOOKING STATEMENT

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 market fundamentals, including the balance of supply and demand in the tanker market, and the Company's financial position. 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; 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.