Tanker Investments Ltd.
Fourth Floor, Belvedere Building
69 Pitts Bay Road
Hamilton, HM 08 Bermuda
Tel: +1 604 609 2963

TANKER INVESTMENTS LTD. REPORTS FIRST QUARTER 2017 RESULTS

Hamilton, Bermuda, May 18, 2017 - Tanker Investments Ltd. (*Tanker Investments, TIL* or *the Company*) today reported its financial results for the quarter ended March 31, 2017.

Highlights:

- Reported net income of USD 3.2 million, or USD 0.11 per share, for the first quarter of 2017.
- Generated cash flow from vessel operations (CFVO[1]) of USD 16.9 million in the first quarter of 2017, compared to USD 16.6 million in the previous quarter.
- Secured two, 1-year Suezmax time-charters at a rate of USD 19,750 per day for each vessel.
- As of March 31, 2017, the Company had total cash and undrawn lines of approximately USD 116.6 million.

“This was another strong quarter for Tanker Investments,” commented William Hung, Tanker Investments Ltd.'s Chief Executive Officer. “We generated earnings per share of $0.11 and almost $17 million in cash flow on the back of relatively firm tanker rates, allowing us to reduce our leverage to under 42%, which we view as an appropriate level as we're heading into what we expect will be a period of weaker tanker rates.” Mr. Hung continued, “In addition, during the first quarter of 2017, we secured additional fixed-rate coverage in the form of two Suezmax time-charters on the Tahoe and Shenlong Spirits, each at rate of USD 19,750 per day. These two time-charters, which commenced in late-March and early-April 2017, increases our fixed-rate coverage to 22% for the majority of 2017 which will help offset the tanker market volatility we expect during the rest of the year.”

[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 March 31, 2017**	**As at December 31, 2016**	**As at March 31, 2016**
Cash & Cash Equivalents	$39.5	$35.1	$55.8
Total Assets	$793.9	$803.4	$862.7
Total Liabilities	$365.8	$378.5	$440.3
Total Liquidity	$116.6	$109.9	$106.2
Net Debt to Capitalization(1)	41.9%	43.6%	46.5%
	Three Months Ended		
Income Statement Summary	**March 31, 2017**	**December 31, 2016**	**March 31, 2016**
Total Revenues	$34.1	$32.5	$50.6
Net Income	$3.2	$2.7	$18.7
Net Income per share	$0.11	$0.09	$0.58
Cash Flow from Vessel Operations (CFVO)(1)	$16.9	$16.6	$32.8
	Three Months Ended		
Spot Fleet - TCE rate(2)	**March 31, 2017**	**December 31, 2016**	**March 31, 2016**
Suezmax Revenue Days	883	916	884
Suezmax TCE rate per day	$22,821	$23,109	$36,130
Aframax Revenue Days	561	645	546
Aframax TCE rate per day	$18,238	$15,465	$27,886
Coated Aframax Revenue Days	–	–	182
Coated Aframax TCE rate per day	–	–	$24,405
	Three Months Ended		
Time Charter-Out Fleet - TCE rate(2)	**March 31, 2017**	**December 31, 2016**	**March 31, 2016**
Suezmax Revenue Days	11	–	–
Suezmax TCE rate per day	$18,790	–	–
Aframax Revenue Days	146	87	–
Aframax TCE rate per day	$16,844	$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 Ended March 31, 2017

During the first quarter of 2017, total revenues decreased to USD 34.1 million from USD 50.6 million in the first quarter of 2016. This decrease is primarily due to lower spot tanker rates earned across the fleet in the first quarter of 2017 compared to the first quarter of 2016.

CFVO was USD 16.9 million during the first quarter of 2017, which decreased from USD 32.8 million in the first quarter of 2016 primarily due to lower revenue earned on the Company's fleet, as described above.

Total interest expense was USD 4.4 million in the first quarter of 2017, compared to USD 5.4 million in the first quarter of 2016. This decrease is mainly due to lower average debt balances in the first quarter of 2017 compared to the same period in 2016.

Tanker Investments reported net income of USD 3.2 million, or USD 0.11 per share, for the first quarter of 2017 compared to net income of USD 18.7 million, or USD 0.58 per share, in the first quarter of 2016.

Tanker Market Outlook

Although the Company recorded stronger average spot tanker rates for its Aframax tanker fleet and rates similar for its Suezmax tanker in the first quarter of 2017, compared with rates for the fourth quarter 2016, the tanker market experienced downward pressure over the course of the first quarter due to heavy refinery maintenance, OPEC supply cuts and higher tanker fleet growth. However, changing trade patterns due to OPEC production cuts have provided support for mid-sized spot tanker rates, as a decline in Middle Eastern oil exports resulted in an increase in ton-mile intensive Atlantic Basin to Asia oil movements.

Since the start of 2017, OPEC has implemented 1.2 million barrels per day (mb/d) of oil production cuts in an effort to rebalance oil prices. Compliance with these cuts by OPEC members was 92 percent as of March 2017, with most cuts coming from Saudi Arabia. While OPEC cuts are negative for overall oil volumes available for transport, the mid-sized segments have found some support from increased ton-mile demand as Asian buyers look to Atlantic Basin supply to replace reduced OPEC barrels. For the first four months of 2017, U.S. crude exports averaged 0.4 mb/d higher year-on-year, and reached 1.0 mb/d by mid-March 2017. Overall, U.S. crude volumes are increasingly moving to Asian and European buyers, which is supportive of mid-sized tanker demand. In February 2017, China imported 0.3 mb/d of U.S. crude, overtaking Canada as the largest importer of U.S. crude.

In addition to these positive trade fundamentals, global oil demand growth remains robust with forecast growth of approximately 1.3 mb/d in 2017, according to the IEA. This growth is expected to provide further support for mid-sized tanker rates during an otherwise challenging freight rate environment.

In 2017, the Company anticipates high tanker fleet growth to present headwinds to the crude spot tanker market. During the first four months of 2017, the world tanker fleet grew by 12.1 million deadweight tons (mdwt), or 2.2 percent. Total tanker fleet growth for 2017 is forecast to be 24.1 mdwt, or approximately 4.3 percent, which is slightly lower than 2016 but consistent with the ten-year average. Mid-size tanker fleet growth is expected to be around 10.7 mdwt, or approximately 5.6 percent, for 2017. After two years of record low scrapping, the Company believes that scrapping has the potential to ramp up in the near-term given the current weakness in spot tanker rates combined with an aging fleet across all segments. New regulations, including ballast water management, may also increase scrapping in the medium-term. Overall, the Company expects 2017 to be a year of softer tanker rates compared to 2016. However, growing crude oil supply in the Atlantic moving long-haul to Asia is expected to provide some underlying support to help offset the negative fundamentals of lower OPEC supply and a period of higher fleet growth. The Company anticipates this near-term dip in the market cycle to be relatively short-term in nature, as a lack of new tanker ordering in the mid-sized segments and increased scrapping due to regulatory changes, as well as a more balanced oil market, is expected to lead to a renewed market upturn in 2018.

Tanker Investments' Fleet as of March 31, 2017

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 March 31, 2017, Tanker Investments had total cash and undrawn lines of approximately USD 116.6 million, including USD 39.5 million of cash and USD 77.1 million of undrawn revolving credit facilities, compared to total liquidity of USD $109.9 million as at December 31, 2016.

Conference Call

Tanker Investments plans to host a conference call on May 18, 2017 at 10 a.m. (ET) / 4 p.m. (CET) to discuss the results for the first quarter 2017. All shareholders and interested parties are invited to listen to the live conference call by choosing from the following options:

- By dialing 1-800-263-0877 or 1-416-640-5944, if outside of North America, and quoting conference ID code 2672896.
- 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 one year).

A supporting First Quarter 2017 Earnings Presentation will also be available in advance of the conference call start time at www.tankerinvestments.com.

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".

For Investor Relations enquiries contact:
Scott Gayton
Tel: +1 604 609 4740

Website: www.tankerinvestments.com

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 March 31, 2017 $	Three Months Ended March 31, 2016 $
Net pool revenues from affiliates *(note 6b)*	28,528	49,521
Time charter revenues	2,744	–
Voyage revenues	2,792	1,049
Total revenues	34,064	50,570
Voyage expenses	(2,389)	(1,230)
Vessel operating expenses *(notes 6b and 6c)*	(13,196)	(14,779)
Depreciation and amortization	(8,614)	(8,702)
General and administrative expenses (*note 6b*)	(1,531)	(1,784)
Gain on sale of vessels *(notes 6b and 8)*	–	1,228
Income from operations	8,334	25,303
Interest expense *(notes 2 and 6a)*	(4,423)	(5,420)
Interest income	50	55
Other expenses (*note 3)*	(738)	(1,211)
Net income	3,223	18,727
Per common share of Tanker Investments Ltd. ***(note 7)***		
• Basic earnings attributable to common stockholders of Tanker Investments Ltd.	0.11	0.58
• Diluted earnings attributable to common stockholders of Tanker Investments Ltd.	0.11	0.57
Weighted average number of common shares outstanding ***(note 7)***		
• Basic	30,363,561	32,511,856
• Diluted	30,363,561	32,946,600
Total number of common shares outstanding at end of period	30,363,561	31,455,757

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 March 31, 2017 $	As at December 31, 2016 $
ASSETS		
Current		
Cash and cash equivalents	39,495	35,073
Pool receivables from affiliates, net *(note 6b)*	6,313	12,427
Accounts receivable	1,923	21
Due from affiliates	44	43
Prepaid expenses and other current assets *(note 6c)*	7,107	6,083
Total current assets	54,882	53,647
Vessels and equipment		
At cost, less accumulated depreciation of $82.8 million (December 31, 2016 - $74.2 million)	721,059	729,226
Due from affiliates *(note 6b)*	17,941	20,536
Total assets	793,882	803,409
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	686	915
Accrued liabilities and other (*note 6c*)	7,382	7,152
Current portion of long-term debt *(note 2)*	38,089	38,061
Deferred revenue	604	—
Due to affiliates	2,182	2,041
Total current liabilities	48,943	48,169
Long-term debt *(note 2)*	310,706	324,940
Other long-term liabilities *(note 3)*	6,128	5,418
Total liabilities	365,777	378,527
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) *(note 5)*	31	31
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	322,488
Retained earnings	105,585	102,362
Total shareholders' equity	428,105	424,882
Total liabilities and shareholders' equity	793,882	803,409

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)

	Three Months Ended March 31, 2017 $	Three Months Ended March 31, 2016 $
Cash and cash equivalents provided by (used for)		
OPERATING ACTIVITIES		
Net income	3,223	18,727
Non-cash items:		
Depreciation and amortization	8,614	8,702
Other	1,032	1,906
Change in non-cash working capital items related to operating activities	6,527	13,713
Expenditures for dry-docking	(429)	(52)
Net operating cash flow	**18,967**	**42,996**
FINANCING ACTIVITIES		
Prepayments of long-term debt	(5,000)	(51,801)
Repayments of long-term debt	(9,529)	(107,299)
Repurchase of common stock *(note 5)*	—	(21,706)
Other financing activities	—	(178)
Net financing cash flow	**(14,529)**	**(180,984)**
INVESTING ACTIVITIES		
Proceeds on disposal of vessels	—	150,369
Expenditures for vessels and equipment	(16)	—
Net investing cash flow	**(16)**	**150,369**
Increase in cash and cash equivalents	4,422	12,381
Cash and cash equivalents, beginning of the period	35,073	43,420
Cash and cash equivalents, end of the period	**39,495**	**55,801**

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, 2016	**30,364**	**31**	**2**	**1**	**322,488**	**102,362**	**424,882**
Net income	—	—	—	—	—	3,223	3,223
Balance as at March 31, 2017	**30,364**	**31**	**2**	**1**	**322,488**	**105,585**	**428,105**

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 March 31, 2017, the Company's fleet included 18 vessels (December 31, 2016 - 18 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, 2016. 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

	March 31, 2017 $	December 31, 2016 $
Revolving Credit Facilities due through 2020	225,383	236,917
Term Loan due through 2021	126,222	129,217
Total principal	351,605	366,134
Unamortized discount and debt issuance costs	(2,810)	(3,133)
Total debt	348,795	363,001
Less current portion	(38,089)	(38,061)
Long-term portion	310,706	324,940

As of March 31, 2017, the Company had two revolving credit facilities available, which, as at such date, provided for borrowings of up to a maximum of $302.5 million (December 31, 2016 - $311.7 million), of which $225.4 million was drawn (December 31, 2016 - $236.9 million was drawn). Interest payments are based on LIBOR plus margins. At March 31, 2017, the margin was 3.37% (December 31, 2016 - 3.38% respectively). The margins ranged 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 were collateralized by first-priority mortgages on 14 (December 31, 2016 - 14) of the Company's vessels. At March 31, 2017, the total amount available under the credit facilities reduces by $27.7 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 March 31, 2017, the Company was in compliance with all its covenants in respect of these credit facilities.

As of March 31, 2017, the Company had one term loan (*Term Loan*) outstanding with an outstanding balance of $126.2 million (December 31, 2016 - $129.2 million), repayable by 2021. Of this amount, $51.5 million bears interest at LIBOR plus a margin of 0.50% and the remaining $74.7 million bears interest at a fixed rate of 5.37% (December 31, 2016 - $52.0 million and $77.2 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 March 31, 2017, Teekay was in compliance with all their covenants in respect of the Term Loan.

The weighted-average effective interest rate on the Company's long-term debt as at March 31, 2017 and December 31, 2016 was 4.22% and 4.11% 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 March 31, 2017 are $28.6 million (2017), $38.2 million (2018), $113.2 million (2019), $91.1 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 three months ended March 31, 2017:

	Three Months Ended March 31, 2017
	$
Balance at the beginning of the period	5,418
Increase for positions related in the current period	710
Balance at the end of the period	6,128

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, 2016.

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.

		March 31, 2017		December 31, 2016	
	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	39,495	39,495	35,073	35,073
Long-term debt, including current portion	Level 2	(348,795)	(348,270)	(363,001)	(363,703)

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, 2016.

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 March 31, 2017, the Company had repurchased 8.1 million shares of its Common Stock for $87.6 million. (December 31, 2016 - 8.1 million shares for $87.6 million). On July 26, 2016, the 8.1 million shares repurchased by the Company, held in treasury, were canceled. As at March 31, 2017, the Company does not hold any shares of Common Stock in treasury (December 31, 2016 - nil).

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 March 31, 2017, 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 March 31, 2017, 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 (or 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, 2016. The guarantee fee was $0.1 million for the three months ended March 31, 2017 and 2016, 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, 2016. Amounts incurred by the Company for such services for the periods indicated below were as follows:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
	$	$
Commercial management services	1,280	1,459
Ship management services	1,156	1,301
Corporate services	1,332	1,367
Vessels and equipment transaction services	—	1,550

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 $17.9 million and $20.5 million as at March 31, 2017 and December 31, 2016, 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 March 31, 2017 and December 31, 2016, $2.0 million and $1.8 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 unaudited consolidated balance sheets. As at March 31, 2017 and December 31, 2016, $1.6 million and $2.8 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.

7. Earnings Per Share

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
	$	$
Net income	3,223	18,727
Weighted average number of common shares	30,363,561	32,511,856
Dilutive effect of warrants	—	434,744
Common stock and common stock equivalents	30,363,561	32,946,600
Earnings per common share:		
• Basic	0.11	0.58
• Diluted	0.11	0.57

For the three months ended March 31, 2017, 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. Gain on sale of vessels

During the three months ended March 31, 2016, the Company sold two 2010-built VLCCs, the *Hemsedal Spirit* and *Voss Spirit*, for net proceeds of proceeds of $151.5 million and recognized a $1.2 million gain related to the sale of these vessels.

9. Subsequent Events

Subsequent events have been evaluated through May 18, 2017, the date the unaudited interim consolidated financial statements were issued. No significant events occurred subsequent to the balance sheet date but prior to May 18, 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 6 of this earnings release.

	Three Months Ended		
	March 31, 2017	**December 31, 2016**	**March 31, 2016**
	(unaudited)	(unaudited)	(unaudited)
Net income	$3.2	$2.7	$18.7
Add:			
Depreciation and amortization	$8.6	$8.7	$8.7
Interest expense	$4.4	$4.4	$5.4
Other expenses	$0.7	$0.8	$1.2
Less:			
Gain on sale of vessels	–	–	($1.2)
Cash Flow from Vessel Operations	$16.9	$16.6	$32.8

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 6 of this earnings release.

	March 31, 2017	**December 31, 2016**	**March 31, 2016**
	(unaudited)	(unaudited)	(unaudited)
Current Debt	$38.1	$38.1	$43.4
Long-term Debt	$310.7	$324.9	$379.5
Total Debt	$348.8	$363.0	$422.9
Less:			
Cash	($39.5)	($35.1)	($55.8)
Net Debt	$309.3	$327.9	$367.1
Equity	$428.1	$424.9	$422.4
Capitalization	$737.4	$752.8	$789.5
Net Debt / Capitalization	41.9%	43.6%	46.5%

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.