



## Letter to Shareholders from the Chairman & CEO

Hamilton, Bermuda, March 8, 2010

Dear Shareholder,

As Chairman and CEO I strive to keep all our shareholders well informed about key aspects of the development of our Company. It is therefore now time for me to send you another letter.

Since my letter of September 29, 2009 to you, the Company has acquired two more suezmax vessels, of which one was delivered to us on November 17, 2009 and the other was delivered to us on March 2, 2010. We paid \$51.5 million for each of these 2002 built suezmax tankers. Including the two newbuildings expected to be delivered to us later this year, the fleet of our Company consists of 18 suezmax vessels. The acquisitions are accretive and the dividend potential of the Company has increased.

Accretive growth is a key element in our strategy. Over time the fleet must grow faster than the share count in order to create value for shareholders. In January 2010 we priced a follow-on offering from which the proceeds to the Company were \$137 million before cash offering costs. The Company currently has the resources to acquire 4 more vessels without tapping the equity market. An increase of the fleet from 18 to 22 vessels would represent a 22% increase of our fleet whereas the share count was increased by about 10% in connection with the follow-on offering. This is an example of accretion while recognizing that net debt is expected to be slightly higher after such prospective acquisitions.

Having a fleet consisting solely of suezmax vessels, we experience cost benefits and in today's environment we also pursue possibilities of further reductions in our costs. The Company also has low general and administrative costs which together with our low debt contribute to a very low cash breakeven.

So far into the first quarter of 2010, at the time of this writing, we observe a spot suezmax tanker market which on average is well above the level of the fourth quarter of 2009. Based on the market so far in 2010 we therefore expect the dividend of the Company for the first quarter of 2010 to be substantially higher than the dividend for the fourth quarter of 2009, which was \$0.25 per share.

Our primary objective is to maximize total return to our shareholders, including maximizing our quarterly cash dividend. Over time we have in the past produced a very competitive total return for our shareholders and we believe that we are in an excellent position to achieve such results also going forward.

With our proven model and strong balance sheet we aim to be in a position to reap the benefits in the markets as they develop, be they soft or strong from time to time.

I would like to finalize my letter to you by stressing a key dimension in our model: the alignment of interests between our shareholders and our management. If our shareholders do well, so do management and vice versa. We do not believe in special, supermajority shares, for our management. In our Company, all shares have one vote, plain and simple.

As you understand, I am optimistic about the future of our Company.

All the best!

Sincerely,  
Herbjorn Hansson  
Chairman & CEO

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “pending” and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the tanker market, as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other important factors described from time to time in the reports filed by the Company with the Securities and Exchange Commission, including the prospectus and related prospectus supplement, our Annual Report on Form 20-F, and our reports on Form 6-K.

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