

# Q3

Q3 2012 REPORT



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# HIGHLIGHTS

## KEY FIGURES

USD 1000	Q3 2012 (unaudited)	Q3 2011 (unaudited)	YTD 2012 (unaudited)	YTD 2011 (audited)
Gross freight revenue	944	15 071	7 391	53 550
Operating (TC) revenue	943	6 563	7 255	25 117
Operating profit (-loss) before depreciation (EBITDA)	643	1 870	4 152	11 262
Operating profit/(-loss) (EBIT)	639	-102 203	4 138	-126 393
<b>Net profit/(-loss)</b>	<b>627</b>	<b>-104 275</b>	<b>3 882</b>	<b>-130 902</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0,01</b>	<b>-1,20</b>	<b>0,04</b>	<b>-1,51</b>
<b>Cash and cash equivalents</b>	<b>31 466</b>			

## RESULTS

Saga Tankers ASA reports a net profit for the third quarter 2012 of USD 0.6 million.

Gross freight revenues for the third quarter were USD 0.9 million. Operating revenues for the third quarter were USD 0.9 million.

EBITDA for the third quarter was USD 0.6 million.

Earnings per share (EPS) for the third quarter were USD 0.01.

The average number of shares in the quarter was 86,777,409. As per the end of the period, the outstanding number of shares was 86,777,409.

The vessel Saga Agnes was sold and delivered to its buyers on 27 August 2012. The Company has now sold and delivered all vessels.

The Company's condensed unaudited financial statements for the third quarter of 2012 are enclosed.

## REPAYMENT OF LOAN

The Company repaid its bank loan to DNB in full following the sale and delivery of Saga Agnes.

## MANDATORY OFFER

Mr. Øystein Stray Spetalen put forward a mandatory offer to acquire all outstanding shares in the Company on 4 September 2012. The offer period expired on 17 October 2012. A total of 7% of the Company's shareholders accepted and approved the offer so that Mr. Spetalen had as per the close of the offer period ownership to or received acceptances for a total 64.5 % of the outstanding shares in the Company. Please see note 6 attached hereto for an overview of the Company's largest shareholders.

## FUTURE

The worldwide shipping markets continue to be in a crisis with poor earnings, downward pressure on asset prices and a fundamental shortage of traditional bank financing. In such an environment, the historical cyclicity of the shipping industry could reveal attractive investment opportunities across various shipping segments such as tank and bulk. The company will continuously evaluate investment opportunities that may arise based on the present framework surrounding the industry.

## STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this report may constitute forward-looking statements.

The forward-looking statements in this report are based on various assumptions, many of which are based upon further assumptions, including without limitation, 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 to predict and beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 31 October 2012

The Board of Directors

Øystein Spetalen  
*Chairman*

Brita Eilertsen  
*Board member*

Espen Lundaas  
*Board member*

Fredrik Platou  
*CEO*

# CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>USD 1000</i>	<b>Q3 2012</b>	<b>Q3 2011</b>	<b>YTD 2012</b>	<b>YTD 2011</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Gross freight revenues	944	15 071	7 391	53 550
Voyage related expenses	1	8 509	136	28 434
<b>Operating TC revenues</b>	<b>943</b>	<b>6 563</b>	<b>7 255</b>	<b>25 117</b>
Operating expenses vessels	282	3 937	1 694	11 549
General administrative expenses	18	756	1 409	2 306
Depreciation	4	3 195	13	10 967
Impairment	-	86 352	-	112 162
Loss sale fixed assets	-	14 526	-	14 526
<b>Operating expenses</b>	<b>304</b>	<b>108 766</b>	<b>3 116</b>	<b>151 510</b>
<b>Operating profit/(-loss)</b>	<b>639</b>	<b>-102 203</b>	<b>4 138</b>	<b>-126 393</b>
Interest income	-	1	-	2
Interest expense	-33	-972	-261	-3 075
Other financial items	21	-1 101	3	-1 436
<b>Net financial items</b>	<b>-12</b>	<b>-2 072</b>	<b>-257</b>	<b>-4 509</b>
<b>Profit/(-loss) before tax</b>	<b>627</b>	<b>-104 275</b>	<b>3 882</b>	<b>-130 902</b>
Taxes	-	-	-	-
<b>Net profit/(-loss)</b>	<b>627</b>	<b>-104 275</b>	<b>3 882</b>	<b>-130 902</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>627</b>	<b>-104 275</b>	<b>3 882</b>	<b>-130 902</b>
<b>Basic and diluted earnings per share (USD)</b>	<b>0,01</b>	<b>-1,20</b>	<b>0,04</b>	<b>-1,51</b>
Average number of shares in the period	86 777 409	86 777 409	86 777 409	86 777 409
Number of shares outstanding at period end	86 777 409	86 777 409	86 777 409	86 777 409

# CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>USD 1000</i>	<b>30.09.2012</b>	<b>31.12.2011</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Vessels and other assets	47	60
<b>Total non-current assets</b>	<b>47</b>	<b>60</b>
<b>Current assets</b>		
Trade receivables	-	924
Other current assets	106	297
Cash and cash equivalents	31 467	16 831
<b>Total Current assets</b>	<b>31 573</b>	<b>18 053</b>
<b>Assets of disposal group classified as held for sale (note 4)</b>	<b>-</b>	<b>30 827</b>
<b>TOTAL ASSETS</b>	<b>31 620</b>	<b>48 941</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	14 620	14 620
Share premium	7 498	7 498
Other Equity	141 327	141 327
Accumulated losses	-132 200	-136 082
<b>Total equity</b>	<b>31 245</b>	<b>27 363</b>
<b>Non-current liabilities</b>		
Net pension liabilities	-	206
<b>Total non-current liabilities</b>	<b>-</b>	<b>206</b>
<b>Current liabilities</b>		
Current portion of long-term debt	-	19 800
Other current liabilities and accruals	374	1 571
<b>Total current liabilities</b>	<b>374</b>	<b>21 371</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31 620</b>	<b>48 941</b>

# CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>USD 1000</i>	<b>YTD 2012</b>	<b>YTD 2011</b>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit before tax	3 882	-130 903
Interest income	-	-2
Interest expenses	261	3 075
Depreciation	13	10 966
Impairment charge	-	112 162
Loss sale fixed asset	-104	14 526
Increase/decrease Inventories	-	1 981
Increase/decrease receivables and prepayments	62	2 568
Increase/decrease payables and accruals	-188	500
Pension liability	-	-
Increase/decrease other provisions	-161	-4 082
<b>Net cash flow from operating activities</b>	<b>3 765</b>	<b>10 793</b>
Investments in tangible fixed assets	-	-688
Proceeds from sale of vessel	30 931	24 990
<b>Net cash flow from investing activities</b>	<b>30 931</b>	<b>24 302</b>
Proceeds from long term borrowings	-	-
Repayments of long term borrowings	-19 800	-29 318
Payments of interest expenses	-261	-3 074
Interest income	-	2
Proceeds from issuance of shares	-	-
Repayments of equity	-	-
<b>Net cash flow from financing activities</b>	<b>-20 061</b>	<b>-32 390</b>
Effects of exchange rate changes on cash	-	-
<b>Net change in cash and cash equivalents</b>	<b>14 635</b>	<b>2 705</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16 831</b>	<b>25 190</b>
<b>Cash and cash equivalents at end of period</b>	<b>31 466</b>	<b>27 895</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q3 2012 (Unaudited)					
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Total
<b>Equity as at 1 January 2012</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-136 082</b>	<b>27 363</b>
Net profit/(-loss)	-	-	-	3 882	3 882
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 882</b>	<b>3 882</b>
<b>Equity per ending balance 30 September 2012</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-132 200</b>	<b>31 245</b>

Q3 2011 (unaudited)					
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Total
<b>Equity as at 1 January 2011</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-5 085</b>	<b>158 360</b>
Net profit/(-loss)	-	-	-	-130 902	-130 902
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-130 902</b>	<b>-130 902</b>
<b>Equity per ending balance 30 September 2011</b>	<b>14 620</b>	<b>7 498</b>	<b>141 327</b>	<b>-135 987</b>	<b>27 457</b>



# NOTES

## NOTE 1 – BASIS FOR PREPARATION

The Company's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU and requirements in the Norwegian Securities Trading Act. This condensed interim financial statement for the third quarter is adopted by the Board of Directors on 31 October 2012.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2011.

None of the new accounting standards or amendments that came into effect from 1 January 2012 has had a significant impact during 2012.

## NOTE 2 – VESSELS, IMPAIRMENT CHARGES AND OTHER ASSETS

<i>USD 1000</i>	<b>Other assets</b>	<b>Total</b>
Acquisition cost, 1 January 2012	88	88
Acquisition of assets	-	-
<b>Acquisition cost, ending balance 30 September 2012</b>	<b>88</b>	<b>88</b>
Accumulated depreciation, 1 January 2012	-28	-28
Depreciation	-13	-13
<b>Accumulated depreciation, ending balance 30 September 2012</b>	<b>-41</b>	<b>-41</b>
<b>Net carrying amount, ending balance 30 September 2012</b>	<b>47</b>	<b>47</b>

## NOTE 3 – OPERATING SEGMENTS

The Company operated one type of vessel, a VLCC. For management purposes, the Company's business is not organized into separate operating segments and hence only has one reportable operating segment which is in line with the consolidated figures presented in this report. Group financing is also monitored on a Group basis.

## NOTE 4 – COMPLETED SALE OF VESSEL

As informed in the financial report for the second quarter 2012, Saga Agnes AS, a subsidiary of the Company, completed the sale of "Saga Agnes" and delivered the vessel to its new owners on 31 July 2012. The sales proceeds, after repayment of the remaining bank debt, were applied to increase the Company's cash position.

The Company has now completed the sale of all significant assets.

## NOTE 5 – SAGA AGNES CLAIM SUMMARY

As informed in the financial report for the second quarter 2012, the Charterers of Saga Agnes AS has presented the Group with a claim of about USD 2 million related to the time charterparty for the vessel "Saga Agnes. The matter will be resolved through arbitration.

## NOTE 6 – 20 LARGEST INVESTORS

	NAME	31.10.2012
1	SPETALEN ØYSTEIN STRAY	64,51
2	BLYSTAD SHIPHOLDING	13,22
3	SPENCER ENERGY AS HAAKON VII GATE 1	9,47
4	SPENCER TRADING INC	7,59
5	AVANZA BANK AB MEGLERKONTO	0,67
6	UNION TANKERS AS	0,46
7	ASTRUP FEARNLEY A/S	0,36
8	KOLBERG MOTORS AS	0,31
9	KOLBERG KRISTIAN	0,31
10	NORDSTJERNEN AS	0,28
11	MOUNT AIRY SHIPPING C/O navigate chemica	0,24
12	SKIBSAKTIESELSKAPET c/o Skibs AS Abaco	0,23
13	RAMS AS	0,18
14	ADRIAN FINANS AS	0,17
15	NISTUÅ II AS v/Nils Aakvik	0,13
16	RHIANNON AS V/ TOM JEBSEN	0,13
17	Gadd Holding	0,12
18	MYKLAND INVEST AS	0,12
19	SKAGENKAIEN EIENDOM	0,12
20	PAK INVEST AS	0,09
	<b>TOTAL</b>	<b>98,71</b>

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