

Q1

Q1 2012 REPORT



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HIGHLIGHTS

- SAGA AGNES PERFORMING UNDER THE TIMECHARTER
- EBITDA OF USD 1.5 MILLION
- EXTRAORDINARY REPAYMENT DURING JANUARY 2012 OF USD 8.4 MILLION

KEY FIGURES

USD 1000	Q1 2012 (unaudited)	Q1 2011 (unaudited)	YTD 2012 (unaudited)	YTD 2011 (unaudited)
Gross freight revenue	3 274	20 399	3 274	60 112
Operating (TC) revenue	3 252	10 121	3 252	28 902
Operating profit (-loss) before depreciation (EBITDA)	1 522	5 228	1 522	11 944
Operating profit/(-loss) (EBIT)	1 518	1 346	1 518	-125 558
Net profit/(-loss)	1 381	131	1 381	-130 997
Basic and diluted earnings per share (USD)	0,02	0,00	0,02	-1,51
Cash and cash equivalents	9 533			

RESULTS

Saga Tankers ASA reports a net profit for the first quarter 2012 of USD 1.4 million.

Gross freight revenues for the first quarter were USD 3.3 million.

Operating revenues for the first quarter were USD 3.3 million.

EBITDA for the first quarter was USD 1.5 million.

Net financial items for the first quarter were USD (-0.1) million.

Earnings per share (EPS) for the first quarter were USD 0.02.

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 Company had zero off hire during the quarter, and Saga Agnes performed as normal according to its contract.

Saga Agnes had OPEX of USD 8,917 per day during the first quarter.

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

FINANCING

The Company made a repayment of USD 8.4 million on the Loan Facility on 31 January 2012 to reduce interest costs up until delivery of Saga Agnes to its Buyers in end July/August 2012. The loan repayment of USD 8.4 million will serve as prepayments of quarterly installments going forward. As a result, the remaining loan of USD 11.4 million will be repaid in full when the vessel is delivered to its Buyers in July/August.

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, 2 May 2012

The Board of Directors

Arne Blystad
Chairman

Brita Eilertsen
Board member

Per Ola Baalerud
Board member

Jon C. Syvertsen
CEO

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>USD 1000</i>	Q1 2012	Q1 2011	YTD 2012	YTD 2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Gross freight revenues	3 274	20 399	3 274	60 112
Voyage related expenses	22	10 278	22	31 210
Operating TC revenues	3 252	10 121	3 252	28 902
Operating expenses vessels	763	4 129	763	13 844
General administrative expenses	967	764	967	3 114
Depreciation	4	3 882	4	10 971
Impairment	-	-	-	112 162
Loss sale fixed assets	-	-	-	14 369
Operating expenses	1 734	8 775	1 734	154 460
Operating profit/(-loss)	1 518	1 346	1 518	-125 558
Interest income	-	1	-	6
Interest expense	-128	-1 062	-128	-3 545
Other financial items <i>(note 3)</i>	-9	-154	-9	-1 899
Net financial items	-136	-1 215	-136	-5 438
Profit/(-loss) before tax	1 381	131	1 381	-130 997
Taxes	-	-	-	-
Net profit/(-loss)	1 381	131	1 381	-130 997
Other comprehensive income	-	-	-	-
Total comprehensive income	1 381	131	1 381	-130 997
Basic and diluted earnings per share (USD)	0,02	0,00	0,02	-1,51
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>	31.03.2012	31.12.2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
ASSETS		
Non-current assets		
Vessels and other assets	56	60
Total non-current assets	56	60
Current assets		
Inventories	-	-
Trade receivables	606	924
Other current assets	108	297
Cash and cash equivalents	9 533	16 831
Total Current assets	10 247	18 053
Assets of disposal group classified as held for sale (note 4)	30 846	30 827
TOTAL ASSETS	41 149	48 941
EQUITY AND LIABILITIES		
Equity		
Share capital	14 620	14 620
Share premium	7 498	7 498
Other Equity	141 327	141 327
Accumulated losses	-134 701	-136 082
Total equity	28 745	27 363
Non-current liabilities		
Long-term interest-bearing debt	-	-
Net pension liabilities	214	206
Total non-current liabilities	214	206
Current liabilities		
Current portion of long-term debt	11 400	19 800
Tonnage tax payable	-	21
Other current liabilities and accruals	790	1 550
Total current liabilities	12 190	21 371
TOTAL EQUITY AND LIABILITIES	41 149	48 941

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>USD 1000</i>	YTD 2012	YTD 2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit before tax	1 381	-130 997
Interest income	0	-6
Interest expenses	128	3 545
Depreciation	4	10 971
Impairment charge	0	112 162
Loss sale fixed asset	-52	14 369
Increase/decrease Inventories	0	5 956
Increase/decrease receivables and prepayments	319	3 001
Increase/decrease payables and accruals	-834	-615
Pension liability	214	206
Increase/decrease other provisions	71	1 121
Net cash flow from operating activities	1 230	19 714
Investments in tangible fixed assets	-	-688
Proceeds from sale of vessel	-	84 993
Net cash flow from investing activities	-	84 305
Proceeds from long term borrowings	-	-
Repayments of long term borrowings	-8 400	-108 839
Payments of interest expenses	-128	-3 545
Interest income	-	6
Proceeds from issuance of shares	-	-
Repayments of equity	-	-
Net cash flow from financing activities	-8 528	-112 378
Effects of exchange rate changes on cash	-	-
Net change in cash and cash equivalents	-7 298	-8 359
Cash and cash equivalents at beginning of period	16 831	25 190
Cash and cash equivalents at end of period	9 533	16 831

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q1 2012 (Unaudited)					
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Total
Equity as at 1 January 2012	14 620	7 498	141 327	-136 082	27 363
Net profit/(-loss)	-	-	-	1 381	1 381
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1 381	1 381
Equity per ending balance 31 March 2012	14 620	7 498	141 327	-134 701	28 744
Q1 2011 (Unaudited)					
Equity as at 1 January 2011	14 620	7 498	141 327	-5 085	158 360
Net profit/loss	-	-	-	131	131
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	131	131
Equity per ending balance 31 March 2011	14 620	7 498	141 327	-4 954	158 491

1) The reduction in share premium fund was registered in the Norwegian Company registry on 14 February 2011.

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 first quarter is adopted by the Board of Directors on 2 May 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>	Other assets	Total
Acquisition cost, 1 January 2012	88	88
Acquisition of assets	-	-
Acquisition cost, ending balance 31 December 2011	88	88
Accumulated depreciation, 1 January 2012	-28	-28
Depreciation	-4	-4
Accumulated depreciation, ending balance 31 March 2012	-32	-32
Net carrying amount, ending balance 31 March 2012	56	56

NOTE 3 – ASSETS HELD FOR SALE

	Saga Agnes	Total
Q1 2012		
Bunkers and lubes	344	344
Carrying amount assets held for sale	30 502	30 502
Total assets held for sale 31/3-12	30 846	30 846
Q4 2011		
Bunkers and lubes	325	325
Carrying amount assets held for sale	30 502	30 502
Total assets held for sale 31/12-11	30 827	30 827

The parent company's wholly-owned subsidiary Saga Agnes AS has entered into an agreement for the sale of its 2000-built VLCC "Saga Agnes". The sale of "Saga Agnes" was approved at the Company's extraordinary general meeting in November 2011. The sales price is USD 30.5 million net plus the value of bunkers and lubes. The buyer has deposited 15% of the purchase price on a joint account held by DNB ASA in London. The deposit has not been included in the company's balance sheet. It is expected that the vessel will be redelivered from its charter during July/August 2012, and consequently delivered to its buyers simultaneously.

NOTE 4 – OPERATING SEGMENTS

The Company operates one type of vessel, 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 5 – 20 LARGEST INVESTORS

	NAME	31.03.2012
1	UBS AG, LONDON BRANCH	19.89 %
2	TYCOON INDUSTRIER AS	15.75 %
3	BLYSTAD SHIPHOLDING INC	13.22 %
4	AKER PENJONSKASSE	11.89 %
5	SPENCER ENERGY AS	9.47 %
6	SPETALEN	8.72 %
7	SPENCER TRADING INC.	7.59 %
8	CARNEGIE ASA	1.11 %
9	FRAM SHIPPING LTD	0.73 %
10	CLEARSTREAM BANKING S.A.	0.71 %
11	UNION TANKERS AS	0.46 %
12	AVANZA BANK AB	0.42 %
13	T SANDVIK AS	0.40 %
14	MORGAN STANLEY & CO LLC	0.38 %
15	SIRIUS SECURITIES AS	0.37 %
16	ASTRUP FEARNLEY A/S	0.36 %
17	NORDSTJERNEN AS	0.35 %
18	GLASTAD INVEST AS	0.35 %
19	KOLBERG	0.31 %
20	KOLBERG MOTORS AS	0.31 %
	TOTAL	92.77 %

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