International Seaways, Inc.

International Seaways, Inc.

First Quarter 2018
Earnings Presentation
May 4, 2018

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Disclaimer

Forward-Looking Statements

During the course of this presentation, the Company (International Seaways, Inc. (INSW)) may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Some of these statements include words such as ‘‘outlook,’’ ‘‘believe,’’ ‘‘expect,’’ ‘‘potential,’’ ‘‘continue,’’ ‘‘may,’’ ‘‘will,’’ ‘‘should,’’ ‘‘could,’’ ‘‘seek,’’ ‘‘predict,’’ ‘‘intend,’’ ‘‘plan,’’ ‘‘estimate,’’ ‘‘anticipate,’’ ‘‘target,’’ ‘‘project,’’ ‘‘forecast,’’ ‘‘shall,’’ ‘‘contemplate’’ or the negative version of those words or other comparable words. Although they reflect INSW’s current expectations, these statements are not guarantees of future performance, but involve a number of risks, uncertainties, and assumptions which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to, vessel acquisitions, general economic conditions, competitive pressures, the nature of the Company’s services and their price movements, and the ability to retain key employees. The Company does not undertake to update any forward-looking statements as a result of future developments, new information or otherwise.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, including Time Charter Equivalent (“TCE”) revenue, EBITDA, Adjusted EBITDA, and total leverage ratios, designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. TCE revenues, which represents shipping revenues less voyage expenses, is a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net (loss)/income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. Total leverage ratios are calculated as total debt divided by Adjusted EBITDA. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See Appendix for a reconciliation of certain non-GAAP measures to the comparable GAAP measures.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

Additional Information

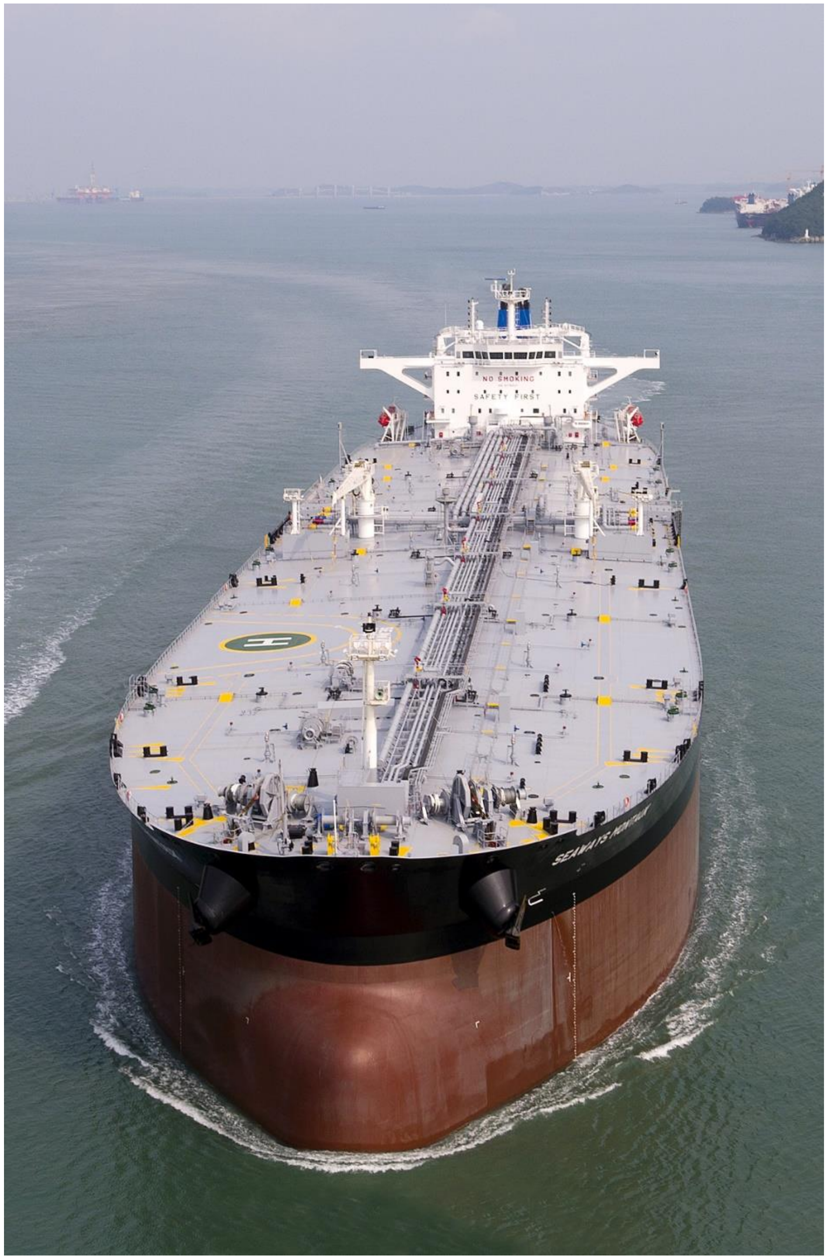
You should read the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, and the other documents the Company has filed with the SEC for additional information regarding the Company, its operations and the risks and uncertainties it faces. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov, or from the Company’s website at www.intlseas.com.

Business Review – Lois K. Zabrocky, President & CEO

International Seaways, Inc.

First Quarter 2018 Highlights & Recent Accomplishments

- **Working Toward 2018 Q2 Closing of 6 Modern VLCCs**
  - Transaction is on track for 2nd quarter closing
  - Ships are high specification VLCCs built in 2015 (1) and 2016 (5)
  - Expect to assume Sinosure debt that is attractive at LIBOR +2%
  - Balance of purchase price being funded with available liquidity
- **Maintaining Strong Balance Sheet and Increasing Liquidity**
  - FSO JV closed on financing of $220 million; $110 million was distributed to Seaways in April
  - Sold and leased back two Aframax vessels with attractive terms
  - Repaid outstanding $30 million balance on revolver
- **Executing on Fleet Growth and Renewal Strategy**
  - Investing in modern vessels with average age of 2.3 years
    - 2 Suezmax and 1 VLCC in 2017
    - 6 modern VLCCs scheduled to close in 2018 Q2
  - Selling older vessels with an average age of 15.7 years
    - 5 older MRs and 1 older VLCC sold in the last 12 months
    - Agreed to sell an older Aframax
    - Agreed to sell idle ULCC to Euronav in connection with the VLCC purchase
  - Will reduce fleet's age by close to 3 years
  - Renewed 4 MR charter-ins with flexible terms
- **Performing in a Difficult Environment**
  - 2018 Q1 results:
    - Net loss of $29.3 million, or $1.01 per share; includes loss of $6.6 million related to vessels sold during the quarter
    - Cash flow from operations was essentially breakeven
    - TCE revenues of $48.8 million
    - Adjusted EBITDA of $6.5 million



Executing on Fleet Renewal Strategy

Vessel Acquisitions

Vessel Name	Type	Built	Acquired	Price
Hatteras	Suezmax	2017	Q3 '17	$58.0
Montauk	Suezmax	2017	Q3 '17	58.0
Raffles	VLCC	2010	Q3 '17	53.0
1	VLCC	2015	Q2 '18	69.0
2	VLCC	2016	Q2 '18	73.0
3	VLCC	2016	Q2 '18	73.0
4	VLCC	2016	Q2 '18	73.0
5	VLCC	2016	Q2 '18	73.0
6	VLCC	2016	Q2 '18	73.0
9 Total Vessels Acquired with an Average Age of 2.3 years				

Agreed to be acquired from Euronav, anticipated close of Q2 2018

Vessel Sales

Vessel Name	Type	Built	Delivered	Price
Petromar	MR	2001	Q3 '17	$8.0
Andromar	MR	2004	Q4 '17	11.2
Ambermar	MR	2002	Q1 '18	8.3
Atalmar	MR	2004	Q1 '18	10.7
Raphael	VLCC	2000	Q2 '18	19.0
Alcmar	MR	2004	Q2 '18	10.3
Aframax	Aframax	2001	Q2 '18 est	
ULCC	ULCC	2003	Q2 '18 est	
8 Total Vessels Being Sold with an Average Age of 15.7 years				

Fleet Enhancement Since January 2017

	1/1/2017	Pro Forma
Conventional Fleet Overview		
ULCC / VLCC	9	14
Suezmax	0	2
Aframax / LR2	8	5
Panamax / LR1	12	12
MR	13	8
Total Owned On-the-Water Vessels	**42**	**41**
Chartered-in Vessels	7	7
Total Operated Fleet	**49**	**48**
Weighted Average Age by DWT[1]	11.6 years	8.8 years
% Reduction		*(24.1%)*
Deadweight Tonnage[1]	5,582,143	6,846,954
% Growth		*22.7%*

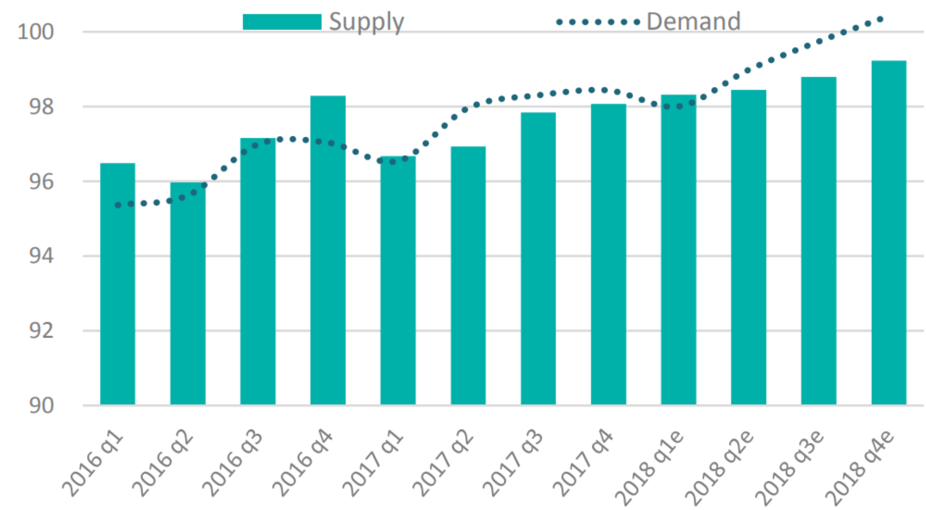
[1] Includes Chartered-in Vessels. Pro Forma reflects the redelivery of Alexandros II in December 2017 and Seaways Sifnos in Q2 2018 and reflects the sale of one VLCC and one Aframax closed/expected to close during Q2 2018. Also reflects the sale of one ULCC in connection with the transaction to acquire 6 VLCCs from Euronav

Tanker Demand

Oil Demand Remains Strong

- IEA global demand growth was 1.6 million barrels/day in 2017 and their forecast has increased to 1.5 million for 2018
- Chinese imports set a new record in January with 9.6 million b/d with March setting the second highest record with 9.2 million b/d

Global Oil Market Balance (million b/d)

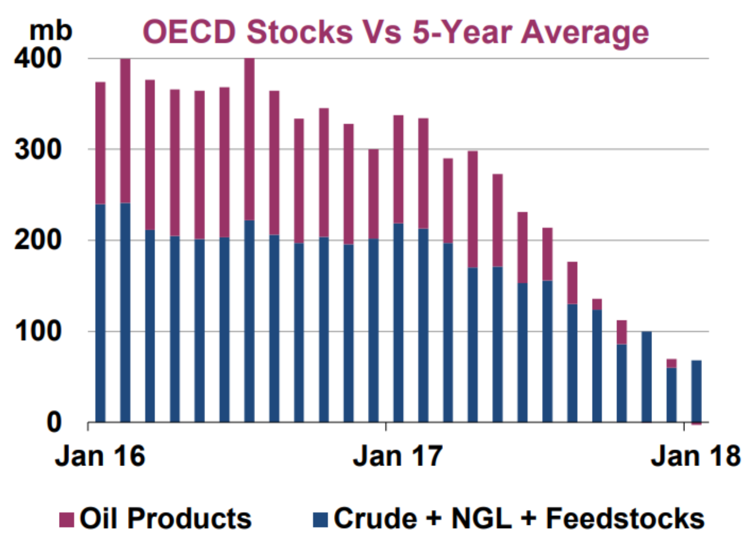


Source: Affinity Research

Global Oil Inventories are Declining

- IEA estimates OECD commercial stocks continued to fall in February. Stocks are now near 5 year averages
- At the end of 2017, OECD stocks (excluding SPR stocks) were down to 60 days forward demand, compared with 66 days at the beginning of 2016.
- Oil products inventories in the US have fallen to under 800 million barrels, the lowest levels since 2015 Q2

Inventories Continuing to Decline



Source: IEA

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Tanker Supply

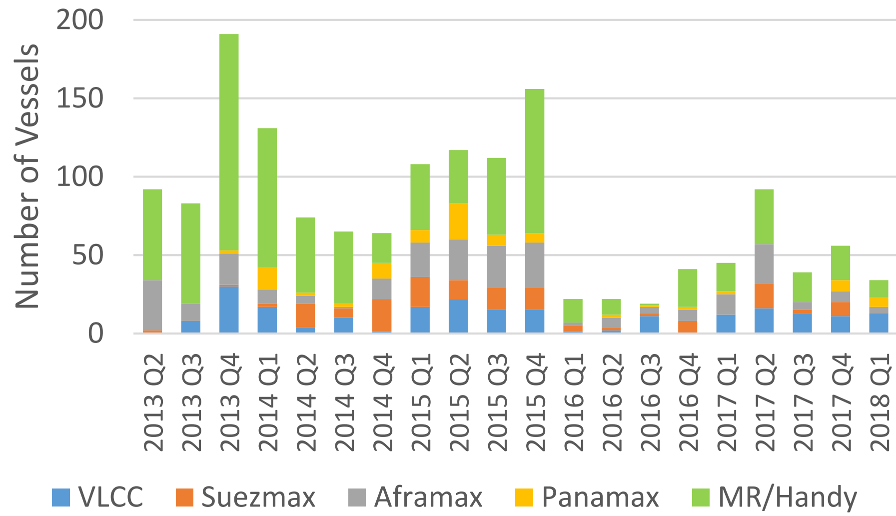
Orderbook Update

- 13 VLCCs ordered during Q1 2018, other sectors showed less newbuilding ordering
- 2018 will still see a fairly large amount of deliveries, although down from 2017
- Orderbook at quarter end as % of existing fleet:
  - VLCC 15% Suez 9% Afra 13% Pana 9% MR/Handy 9%
- Strength in drybulk and container sectors is putting limits on tanker newbuilding berth availability. However, discipline is still needed

Increased Scrapping

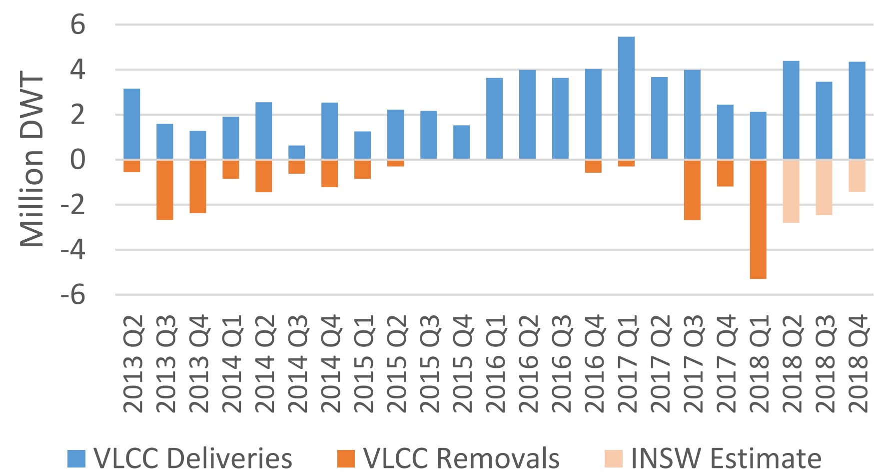
- After two years of nearly no scrappings, 2017 saw 13 VLCCs go to the scrap yard, and a further 22 have already been sold for scrap thus far in 2018.
- In addition to the 22 VLCCs already sold for scrap, a further 62 ships 15 years or older face drydocks in 2018
- Suezmaxes and Aframaxes also experienced a surge in scrapping with 9 and 23 ships sold for scrap so far in 2018
- VLCC fleet growth:
  - 2015: 3% 2016: 7% 2017: 5% 2018: 1% (est)

Newbuilding Orders by Vessel Type



Source: Clarksons

VLCC Deliveries and Removals



Source: Clarksons, INSW

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Financial Review – Jeffrey D. Pribor, SVP & CFO

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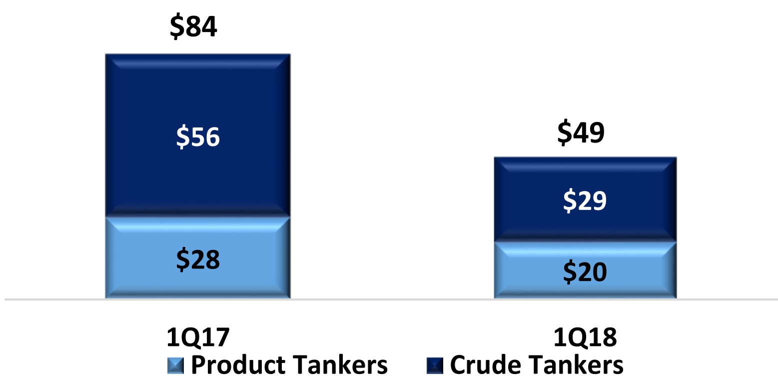
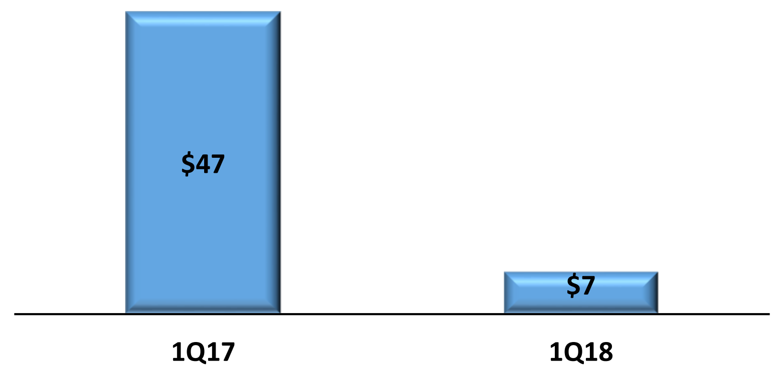
Financial Summary – TCE Revenue & Adjusted EBITDA [1]
($ millions)

1Q 2017 vs 1Q 2018

Quarterly TCE Revenue

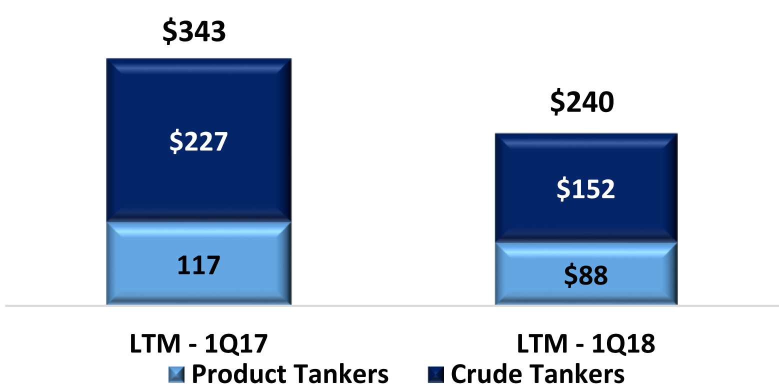


Quarterly Adjusted EBITDA

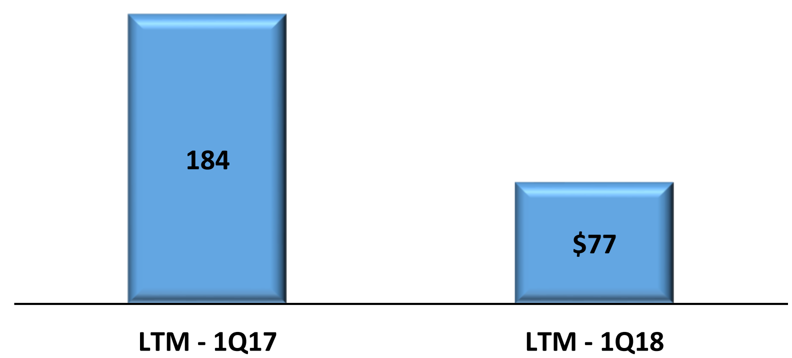


LTM 1Q 2017 vs LTM 1Q 2018

Quarterly TCE Revenue

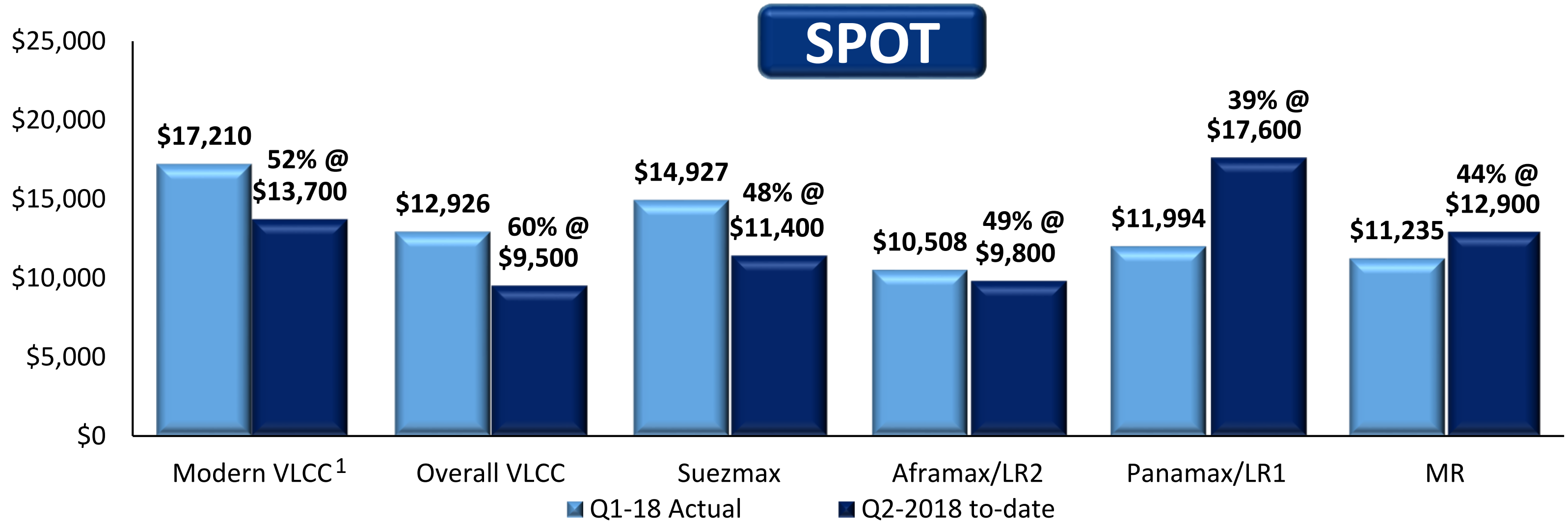


Quarterly Adjusted EBITDA



[1] *See Appendix for TCE Revenue and EBITDA reconciliation.*

Financial Summary – Q1 & Q2 Earnings Update



SPOT + TC

	ULCC & VLCC	Modern VLCC	Suezmax	Aframax / LR2	Panamax / LR1	MR
Remaining Q2-18 Open Days Available	292	177	95	334	332	628
Q2-18 % Revenue Days Booked to-date	60%	52%	48%	49%	67%	47%
Q2-18 Blended TC/Spot TCE Booked to-date	$9,500	$13,700	$11,400	$9,800	$13,200	$12,800
Q2-18 Estimated non-Revenue Days[2]	69	0	0	23	0	21

[1] *Excludes Seaways Rosalyn which turned 15 years old in January*

[2] *Seaways Laura Lynn (ULCC) presently without employment and is scheduled to be sold in Q2. One VLCC and one MR were sold in April and were idle before the sales. One Aframax scheduled to be sold in Q2 is idle after redelivery from the pool*

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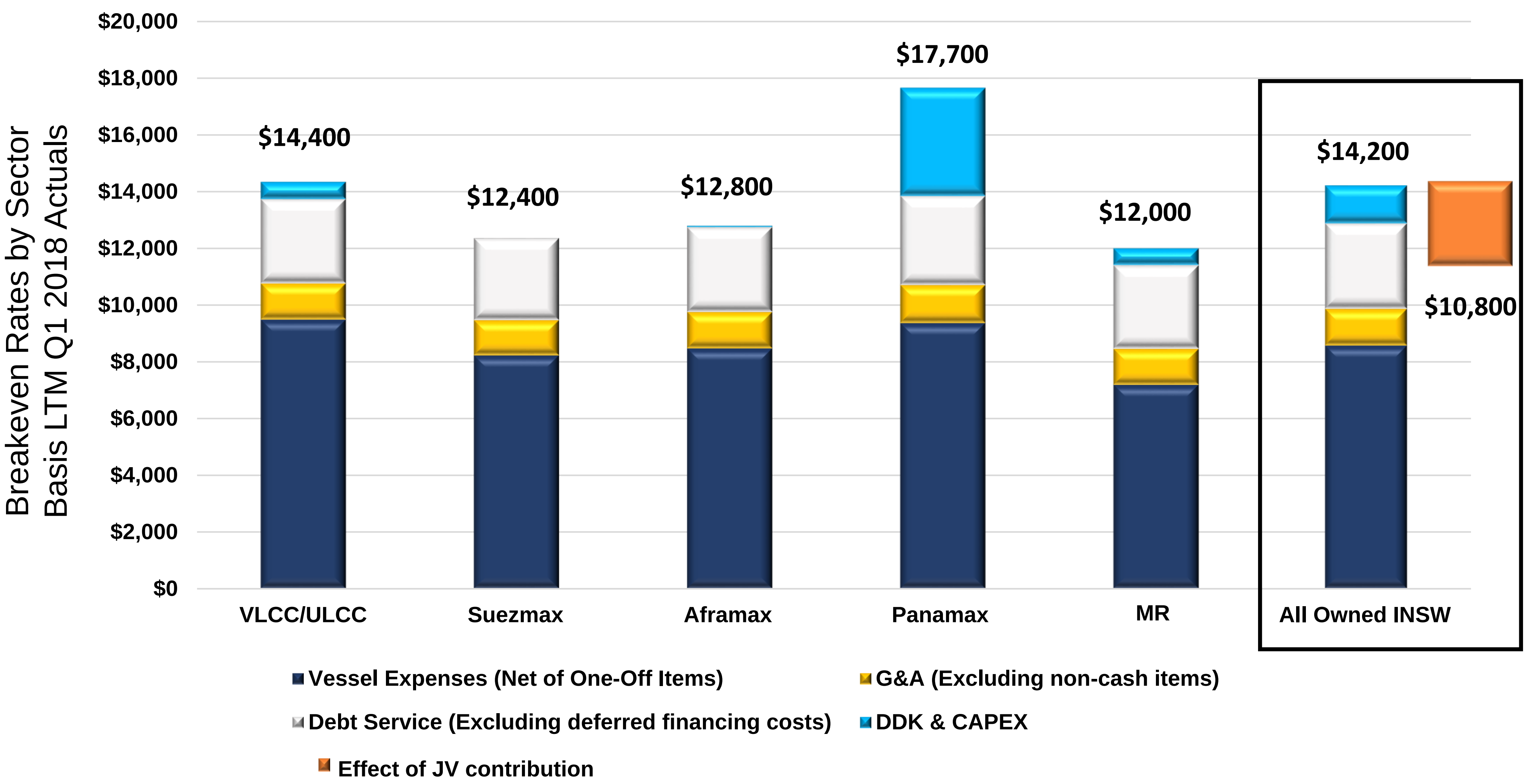
Lean and Scalable Model – Low Cash Breakevens

Low TCE breakeven allows INSW to navigate low points in the tanker cycle while providing significant operating leverage in rising markets



INSW Daily OPEX excludes DDK deviation bunkers, insurance claims and one-off expenses
Only includes owned vessels. Three bareboat-in MR vessels have charter hire and OPEX expenses of approx. $13,470 per day. The bareboat-in Aframaxes will be broken out in Q2
Effect of JV Contribution will decrease gong forward as the expected FSO Distributions will decrease due to the new financing that has been put in place.
Breakevens basis Revenue Days

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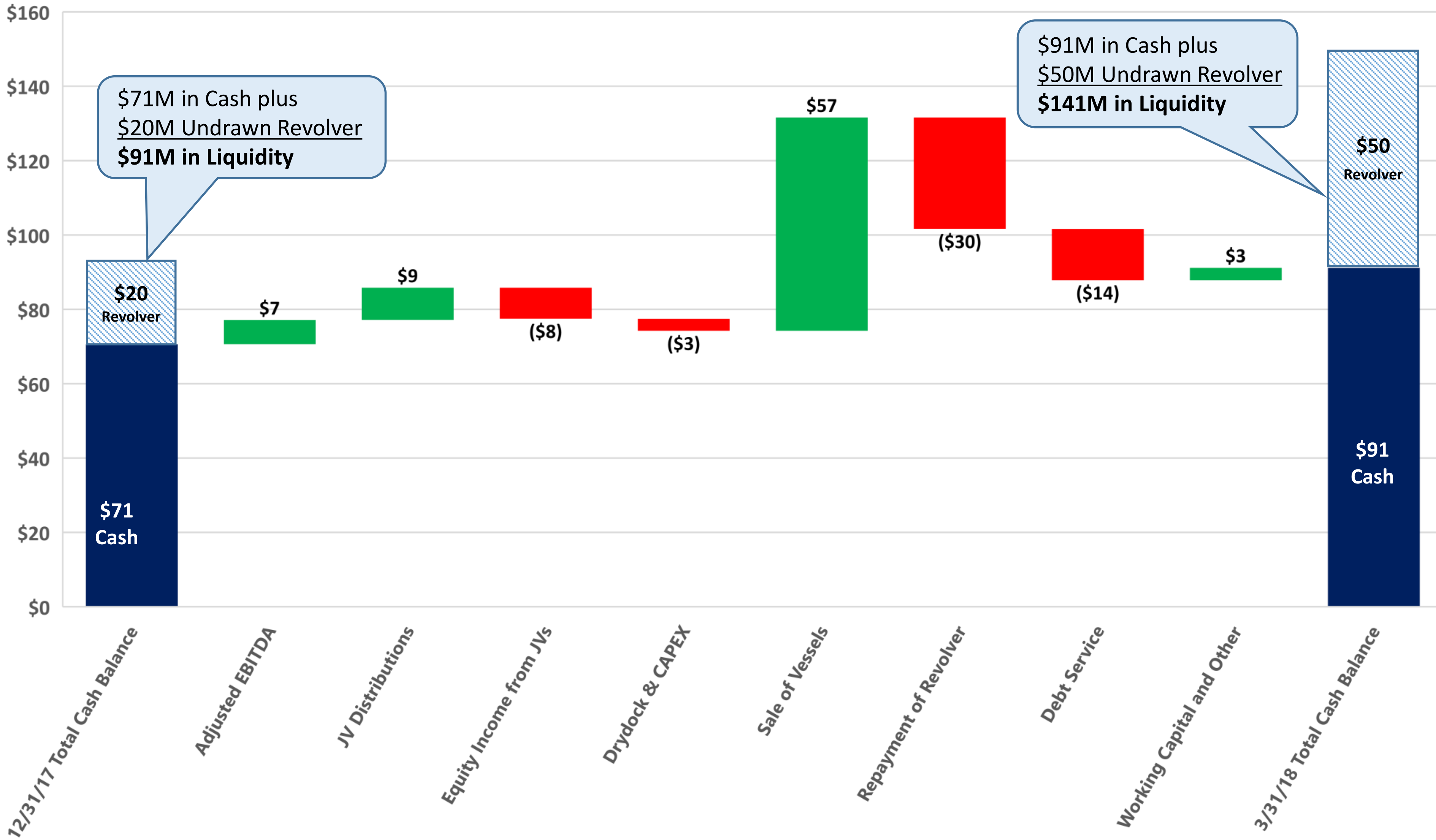
Financial Summary – Change in Cash Balance
($ millions)



Strong Financial Position – Balance Sheet

Strong balance sheet and low breakevens protect INSW during low portions of tanker cycle and provide opportunity for growth and returning cash

March 31, 2018
($ M)

Assets		Liabilities	
Cash and Equivalents	$53	Current Liabilities (including $21 current portion of long term debt)	$45
Other Current Assets	$67	Long Term Debt	$501
		Other Long Term Liabilities	$3
Total Current Assets	**$121**	**Total Liabilities**	**$579**
Restricted Cash	$38		
Vessels	$1,063	**Equity**	
Other Long Term Assets	$391	Total Equity	$1,064
Total Assets	**$1,612**	**Total Liabilities and Equity**	**$1,612**

INSW Book Values of JVs as of March 31, 2018

FSO Joint Venture of $248 million
LNG Joint Venture of $112 million

INSW Debt

Term Loan B Balance: $543 million

- Maturity: June 2022
- Rate: LIBOR +550 bps
- Covenant: Net LTV < 65%
- Amortization: 2.5% in year 1, 5.0% thereafter

Undrawn Revolver: $50 million

- Maturity: December 2021
- Rate: LIBOR +350 bps

LTM EBITDA[1]: $77 million

Debt to LTM EBITDA: 7.0x

Net Debt to LTM EBITDA: 6.3x

Debt to Total Capitalization: 32.9%

Net Loan to Asset Value[2]: 45%

1 Includes Equity Income from JVs
2 Conventional fleet and FSO JV: excludes value of LNG JV

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Chartered Out and Chartered In Fleet

8 Chartered-Out Vessels as of March 31[1]

	2018
Days Fixed	691
Blended Rate	$10,685

Charter-In Hire Details

- Time Charter-Ins:
  4 MR vessels extended. Firm period extends into 2019 – Remaining Charter Hire expense for 2018: $14.4 million

- Bareboat-Ins:
  2 MR vessels that redeliver through Q2 2018 – Remaining Charter Hire expense for 2018: $0.7 million
  2 Aframax vessels that redeliver in 2024 – Remaining Charter Hire expense for 2018: $4.7 million

1 *Includes 1 VLCC and 6 Panamaxes on time charter and 1 MR on bareboat charter. Excluding the bareboat, the commitment is for 615 days at a blended rate of $11,325 per day*

Summary – Lois K. Zabrocky, President & CEO

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Summary

Strong Financial Position

- Strong balance sheet with low leverage, and low cash breakevens
  - $141 million of liquidity before $110 FSO debt distribution in April
  - 45% net loan to value as of March 31, 2018
  - Cash flow from operations essentially breakeven

Quality Fleet Positioned to Optimize Revenue

- 48 vessel fleet with balanced mix of contracted cash flows and spot market upside
  - Acted on fleet modernization strategy decreased our average age by close to three years
  - Fixed revenue provides some protection in a weak market
  - Leverage from spot exposure to market upside

Lean & Scalable Model

- Best-in-class outsourced technical and commercial management
  - Model allows for both low cost and scalability
  - $5.4 million cash G&A expense for Q1 ($1,263 per operating day)
  - Acquisition of 6 VLCCs not expected to materially increase G&A

Capital Allocation Strategy

- Capital allocation discipline to balance renewal of fleet and returning cash to shareholders
  - Agreed to purchase 6 VLCCs which are expected to deliver in Q2
  - Sold four older MRs, 1 2001-built Aframax and 1 2000-built VLCC since January 2018

Q & A

Appendix

TCE Revenue Reconciliation
($ Thousands)

	1Q17	1Q18	LTM - Q1 2017	LTM - Q1 2018
Time charter equivalent revenues	84,132	48,801	344,468	239,664
Add: Voyage expenses	4,618	3,177	13,925	13,665
Shipping revenues	**88,750**	**51,978**	**358,393**	**253,329**

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Adjusted EBITDA Reconciliation
($ Thousands)

All INSW	1Q17	1Q18	LTM - Q1 2017	LTM - Q1 2018
Net (loss) / income	18,067	(29,316)	(60,046)	(153,471)
Income tax provision	4	8	440	48
Interest expense	9,167	11,621	37,901	42,892
Depreciation and amortization	18,616	17,624	78,420	77,861
EBITDA	**45,854**	**(63)**	**56,715**	**(32,670)**
Third-party debt modification fees & cost associated with repurchase of debt	-	-	85	9,240
Separation and transition costs	735	-	9,645	(131)
Loss on disposal of vessels and other property incl impairments	-	6,573	79,374	93,428
Impairment of equity method investments			30,475	-
Write off of Deferred Financing Costs	-	-	5,097	7,020
Discount on repurchase of debt	-	-	(2,438)	-
Reorganization items, net	-	-	4,602	-
Adjusted EBITDA	**46,589**	**6,510**	**183,555**	**76,887**

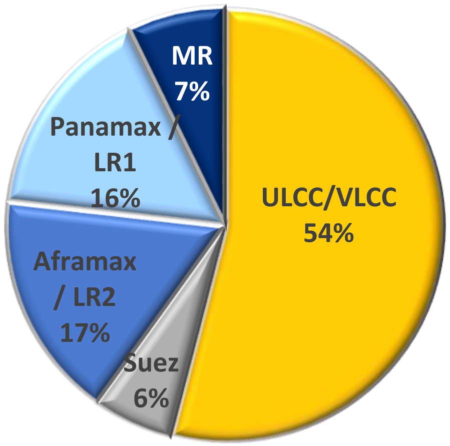
Lightering	1Q17	1Q18	LTM - Q1 2017	LTM - Q1 2018
Net (loss) / income	1,605	(400)	3,969	1,267
Depreciation and amortization	93	119	409	496
EBITDA	**1,698**	**(281)**	**4,378**	**1,763**

International Seaways, Inc.

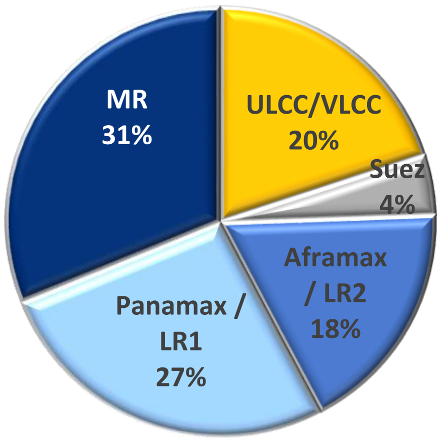
International Seaways (NYSE: INSW)

International Seaways Conventional Tanker Fleet[1]

By DWT



By Vessel Class



Average Age

Jan 2017: 11.6
Apr 2018: 11.6
Proforma Q2: 8.8[2]

Deadweight Tons

Jan 2017: 5.6 million
Apr 2018: 5.6 million
Proforma Q2: 6.8 million[2]

Vessel Type	Size (dwt)	Owned	Owned DWT	Chartered In	Chartered In DWT	Total INSW Fleet	Total INSW DWT	Avg Age
VLCC / ULCC	297,000 - 442,000	9	2,884,486	0	0	9	2,884,486	12.3
Suezmax	159,000	2	316,864	0	0	2	316,864	0.8
Aframax (5) / LR2 (1)	112,000 - 113,000	6	671,964	2	225,894	8	897,858	11.8
Panamax (8) / LR1 (4)	68,000 - 75,000	12	853,214	0	0	12	853,214	13.4
MR	46,000 - 51,000	8	387,038	6	307,315	14	694,353	11.1
Total Conventional Tanker Fleet		**37**	**5,113,566**	**8**	**533,209**	**45**	**5,646,775**	**11.6**
LNG	216,000 m^3	4	864,800	0	0	4	864,800	
FSO	432,000 - 442,000	2	873,916	0	0	2	873,916	
Total JV Fleet		**6**		**0**		**6**		
		43		**8**		**51**		

1 Represents the number of vessels in each class as a percentage of the fleet, as of May 1, 2018. Does not include JV vessels.
2 Includes the acquisition of 6 VLCCs, the sale of one VLCC and one MR in April, and the anticipated sale of one ULCC and one Aframax, and redelivery of one MR during Q2 2018

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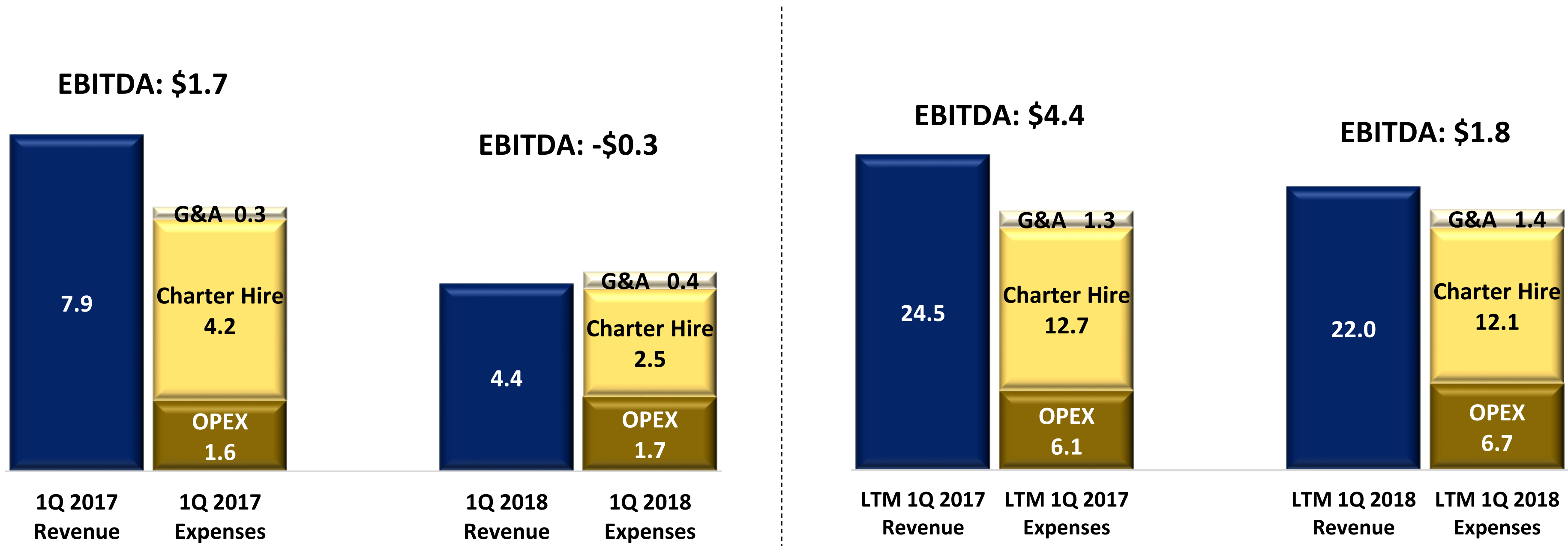
Lightering Operations
($ millions)

Lightering TCE Revenue & EBITDA
1Q and LTM



Lightering	1Q17	1Q18
Net (loss) / income	1,605	(400)
Depreciation and amortization	93	119
EBITDA	**1,698**	**(281)**

[1] *See Appendix for TCE Revenue and EBITDA reconciliation.*