



Bank of America Merrill Lynch 2017 Transportation Conference Presentation

May 2017

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Risks and uncertainties include, but are not limited to, the failure of counterparties to fully perform their contracts with Scorpio, the strength of world economies and currencies, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the tanker vessel markets, changes in Scorpio’s operating expenses, including bunker prices, drydocking and insurance costs, the fuel efficiency of our vessels, the market for Scorpio’s vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of tankers, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports Scorpio files with the Securities and Exchange Commission, or the Commission, and the New York Stock Exchange, or NYSE. Scorpio undertakes no obligation to update or revise any forward-looking statements. These forward-looking statements are not guarantees of Scorpio’s future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

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Company Profile

- Scorpio Tankers Inc. (“STNG” or the “Company”) is the world’s largest ECO-spec product tanker company
- By Q1-18, the Company expects to own a fleet of 82 eco-design product tankers
- 76⁽¹⁾ product tankers on the water with an average age of 2.3 years
 - 23 LR2s (~110,000 DWT, ~750,000 bbls)
 - 39 MRs (~50,000 DWT, ~275,000 bbls)
 - 14 Ice-Class Handymax (~39,000 DWT, ~200,000 bbls)
- 6 vessels under construction
 - 6 MRs expected to be delivered in 2017 & 2018
- 22 product tankers time/bareboat chartered-in Vessels
- Vessels employed in well-established Scorpio pools
- NYSE-compliant governance and transparency
- The Company is headquartered in Monaco, incorporated in the Marshall Islands and is not subject to US income tax



(1) Excludes two MR vessels currently held for sale.

1

Modern, fuel-efficient fleet

- World's largest fleet of ECO-design product tankers
- ECO-design vessels have substantially lower fuel costs than prior generation vessels
- Young fleet (average age of 2.3 years), built at high quality yards.

2

Tremendous fleet growth and operating leverage

- STNG currently operates a fleet of 76⁽¹⁾ wholly owned tankers and time/bareboat charters-in an additional 22 tankers
- The Company has 6 MRs under construction with expected deliveries in 2017/2018
- Scorpio Group manages the fleet in commercial pools that have historically outperformed the charter market

3

Positive market fundamentals

- Remaining orderbook provides favourable supply / demand balance
- Increasing U.S. refined product exports combined with increasing refinery capacity in Asia and the Middle East supports demand growth

4

Strategy targets a conservative financial profile

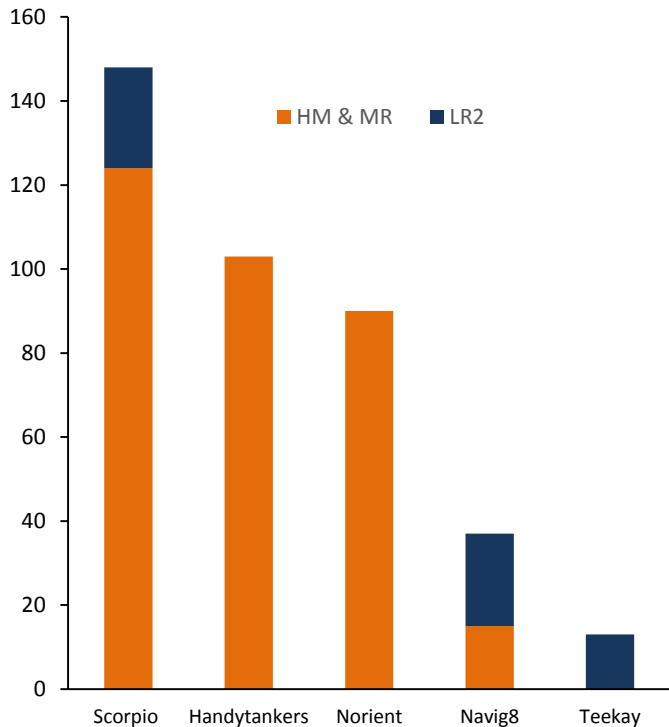
- Commitment towards maintaining low leverage and a conservative capital structure
- Flexibility to manage successfully through shipping cycles and take advantage of strategic growth opportunities

(1) Excludes two MR vessels currently held for sale.

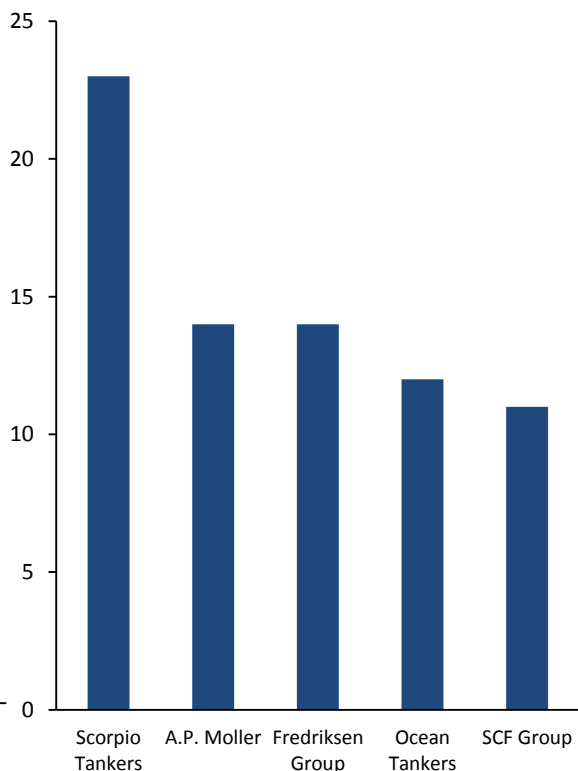
World's Largest Product Tanker Owner & Operator

- Scorpio's trading platform operates the largest product tanker fleet in the market with over **140** vessels under commercial management

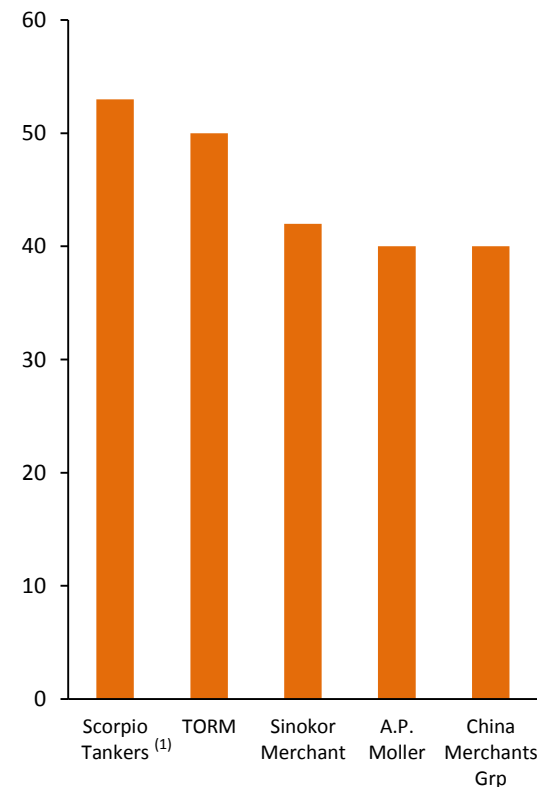
Top Pool Operators



Top LR2 Owners



Top HM/MR Owners

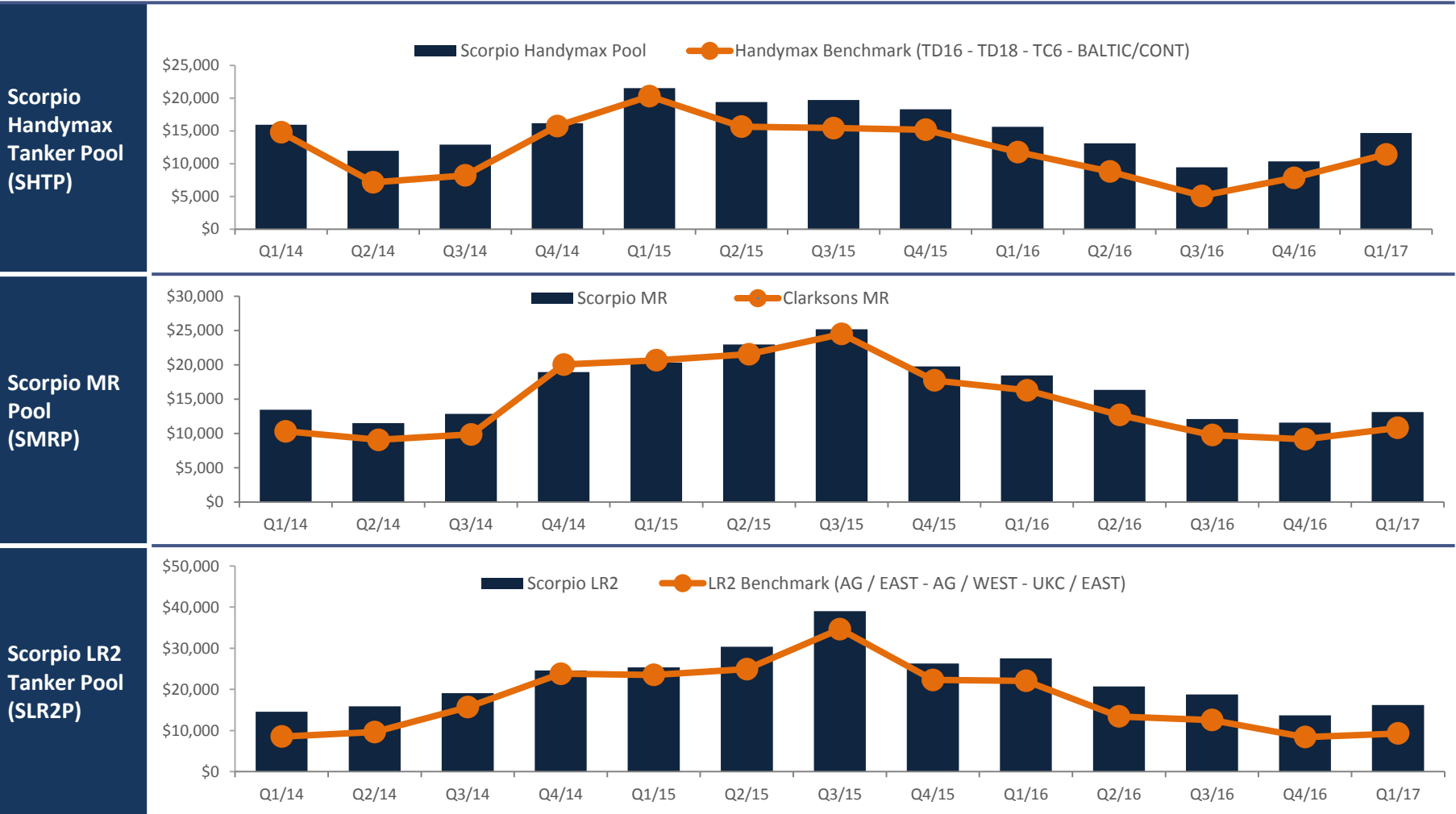


(1) Excludes two MR vessels currently held for sale
Does not include newbuilds or committed third party vessels to be delivered
Source: Clarksons Research Services, May 2017

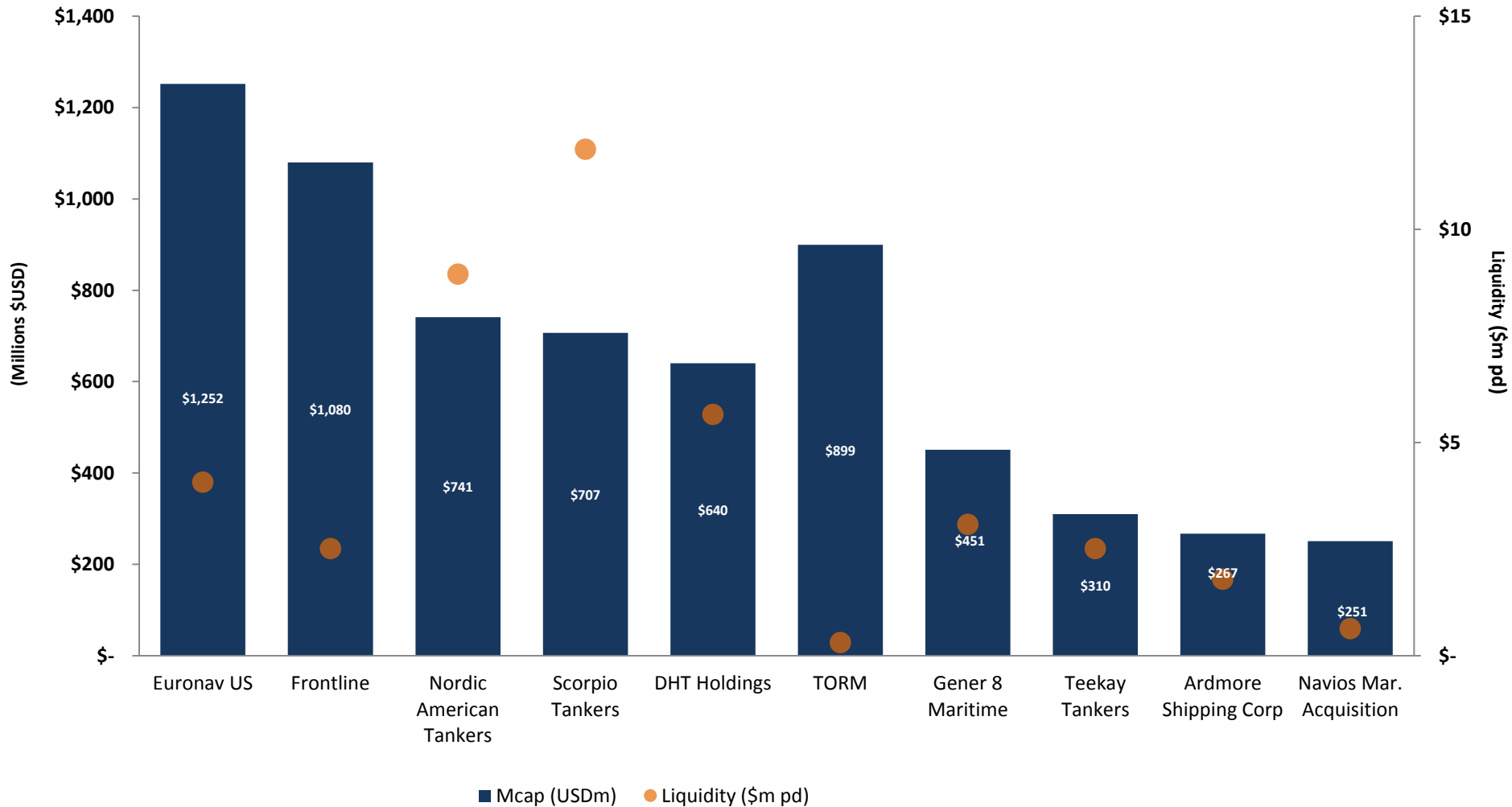
Scorpio Pools Have Consistently Outperformed Market

Pool

Performance (\$/day)



STNG Market Cap & Liquidity



Product Tankers in the Oil Supply Chain

- Crude Tankers provide the marine transportation of the crude oil to the refineries.
- Product Tankers provide the marine transportation of the refined products to areas of demand.
- Structural demand drivers in the product tanker industry:
 - US has emerged as a refined products powerhouse, becoming the worlds largest product exporter
 - Changes in refinery locations, expansion of refining capacity in Asia and Middle East as well as a reduction in OECD refining capacity (Europe & Australia).
 - Changes in consumption demand growth in Latin America, Africa, and non-China/Japan Asia and lack of corresponding growth in refining capacity
 - Balance of trade: needs of each particular region- gasoline/diesel trade between U.S./Europe is a prime example of this given significantly different diesel penetration rates for light vehicles
 - Europe imports surplus diesel from the United States, and exports surplus gasoline to the United States.

Exploration & Production



Oil production includes drilling, extraction, and recovery of oil from underground.

Crude Transportation



Crude oil is transported to the refinery for processing by crude tankers, rail cars, and pipelines.

Refining



Refineries convert the crude oil into a wide range of consumable products.

Products Transportation



Refined products are moved from the refinery to the end users via product tankers, railcars, pipelines and trucks.

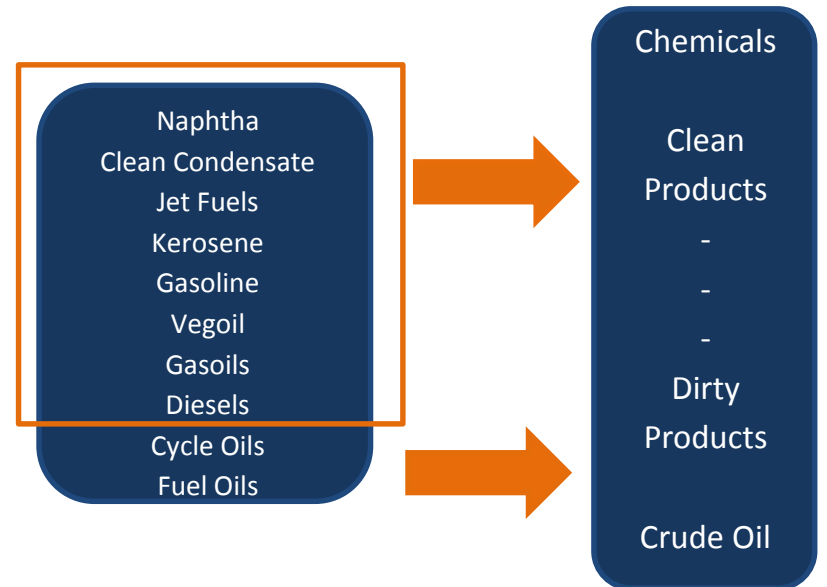
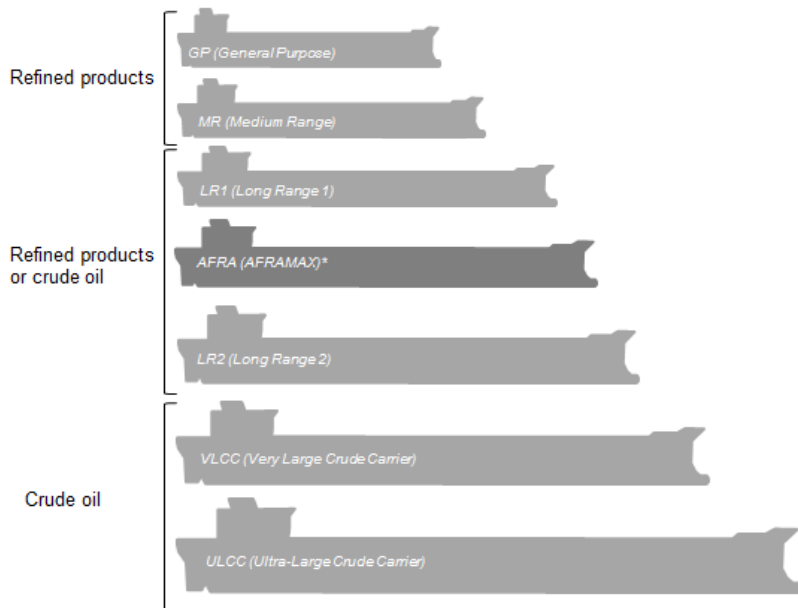
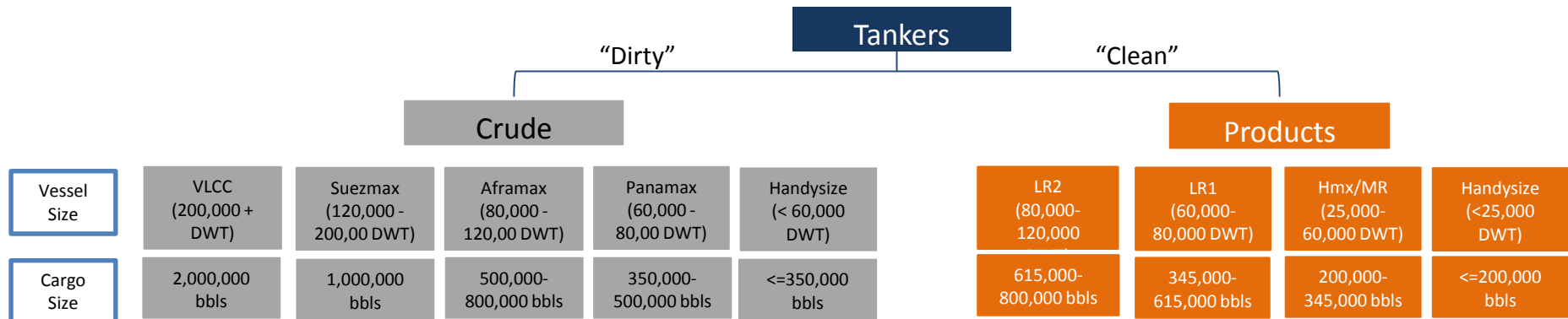
Terminalling & Distribution



Terminals are located closer to transportation hubs and are the final staging point for the refined fuel before the point of sale.

SCORPIO

Product and Crude Tankers



IMO Classes I, II, & III		
IMO Class I	Chemical Tankers	IMO Class I refers to the transportation of the most hazardous, very acidic, chemicals. The tanks can be stainless steel, epoxy or marine-line coated.
IMO Class II	Chemical & Product Tankers	IMO Class II carries Veg & Palm Oils, Caustic Soda. These tanks tend to be coated with Epoxy or Stainless steel.
IMO Class III	Product Tankers	Typically carry refined either light, refined oil “clean” products or “dirty” heavy crude or refined oils.

- Product tankers have coated tanks, typically epoxy, making them easy to clean and preventing cargo contamination and hull corrosion.
- IMO II & III tankers have at least 6 segregations and 12 tanks, i.e. 2 tanks can have a common line for discharge.
- Oil majors and traders have strict requirements for the transportation of chemicals, FOSFA cargoes (vegetable oils and chemicals), and refined products.
- Tanks must be completely cleaned before a new product is loaded to prevent contamination.

New Design Features on Scorpio Product Tankers

Lower Co2 Emissions at
Sea & In Port

Vapor Recovery
System

Deepwell Pumps, Cleaning Capability for Rapid
Discharge & Cargo Flexibility



Larger Propeller

Mewis Duct

G-Type
(Electronic Long Stroke Main
Engine)

Hydrodynamic Hull Form

Low Friction Hull Coating

Enhanced Cargo Tank Coatings

Bulbous Bow

Ballast Water Treatment Systems

- The IMO's Ballast Water Convention is due to enter force on September 8, 2017.
- After September 2017, ship operators will need to install type-approved ballast water treatment systems by the time the International Oil Pollution Prevention (IOPP) certificate falls due for renewal, typically at Special Survey.
- Ballast water is used to stabilize vessels and ensure structural integrity. It is typically pumped in while cargo is being unloaded, and discharged while cargo is being loaded.
- Water taken on in one ecological zone and released into another can result in the introduction and spread of aquatic invasive species, many of which can have serious ecological, economic and public health effects if transferred to regions where they are not native
- Ballast water treatment systems actively remove, kill and/or inactivate organisms in the ballast water prior to discharge.
- Ballast water treatment systems are expected to cost \$500,000 to \$1.5 million and depends on the type and size of vessel.
- Retrofits on older, existing ships, can be more challenging and expensive as they were designed without the space in the engine room.

BWTS Filtering Unit



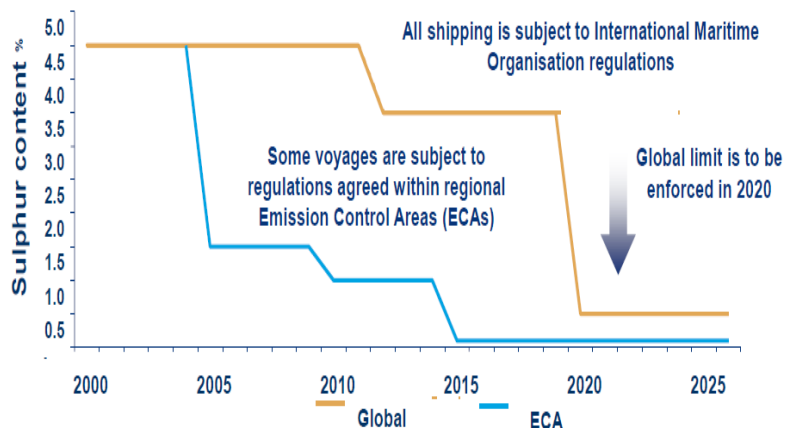
BWTS Piping in Engine Room



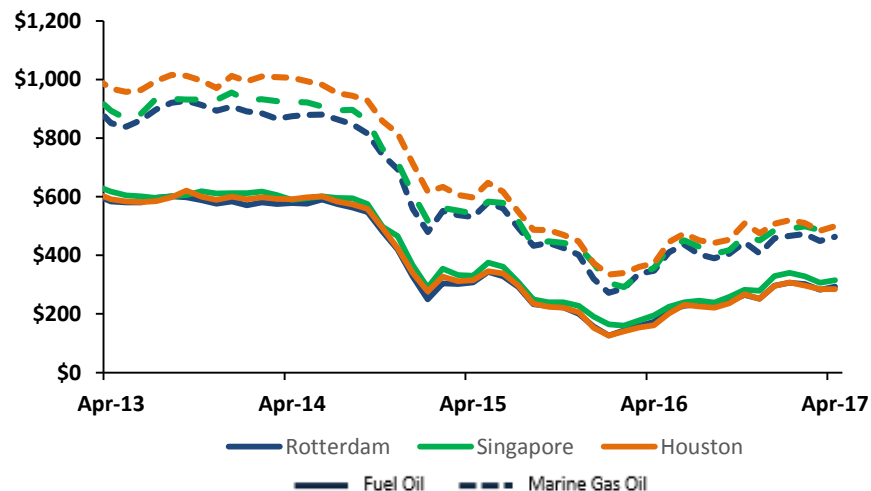
Sulfur Emission Regulations

- On October 27, 2016 the International Maritime Organization's (IMO) Marine Environmental Protection Committee announced the results from a vote to ratify and formalize regulations mandating a reduction in sulfur emissions from 3.5% currently to 0.5% as of the beginning of 2020.
- Ship owners will have to decide between:
 - Installing a scrubber so the vessel can continue to burn HFSO; or
 - Paying the premium to consume MGO with a sulfur content < 0.5%
- Scrubbers can cost \$3-\$10 million to install depending on the size of the ship. ⁽¹⁾
- Modern fuel efficient ships have a competitive advantage over older tonnage through lower fuel consumption.
- Increase in scrap rate as the cost to equip older tonnage with scrubbers can exceed the scrap value of the vessel.

MARPOL Annex VI SOx Emission Timeline ⁽²⁾



Historical FO & MGO Prices (\$/MT) ⁽³⁾



Sources:

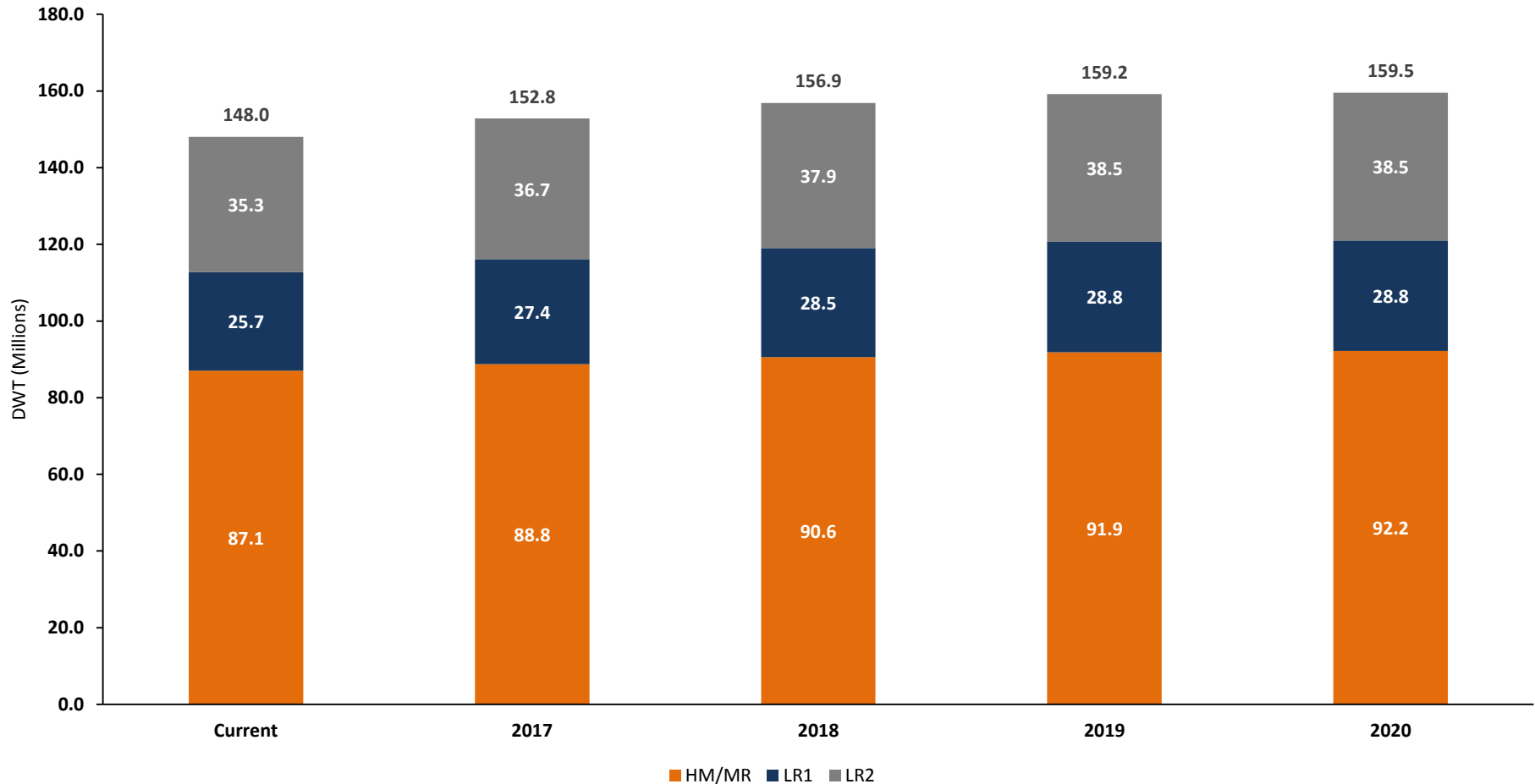
(1) STIFEL Equity Research

(2) International Maritime Organization

(3) Clarksons Research Services/Ocean Connect May, 2017

Product Tanker Fundamentals

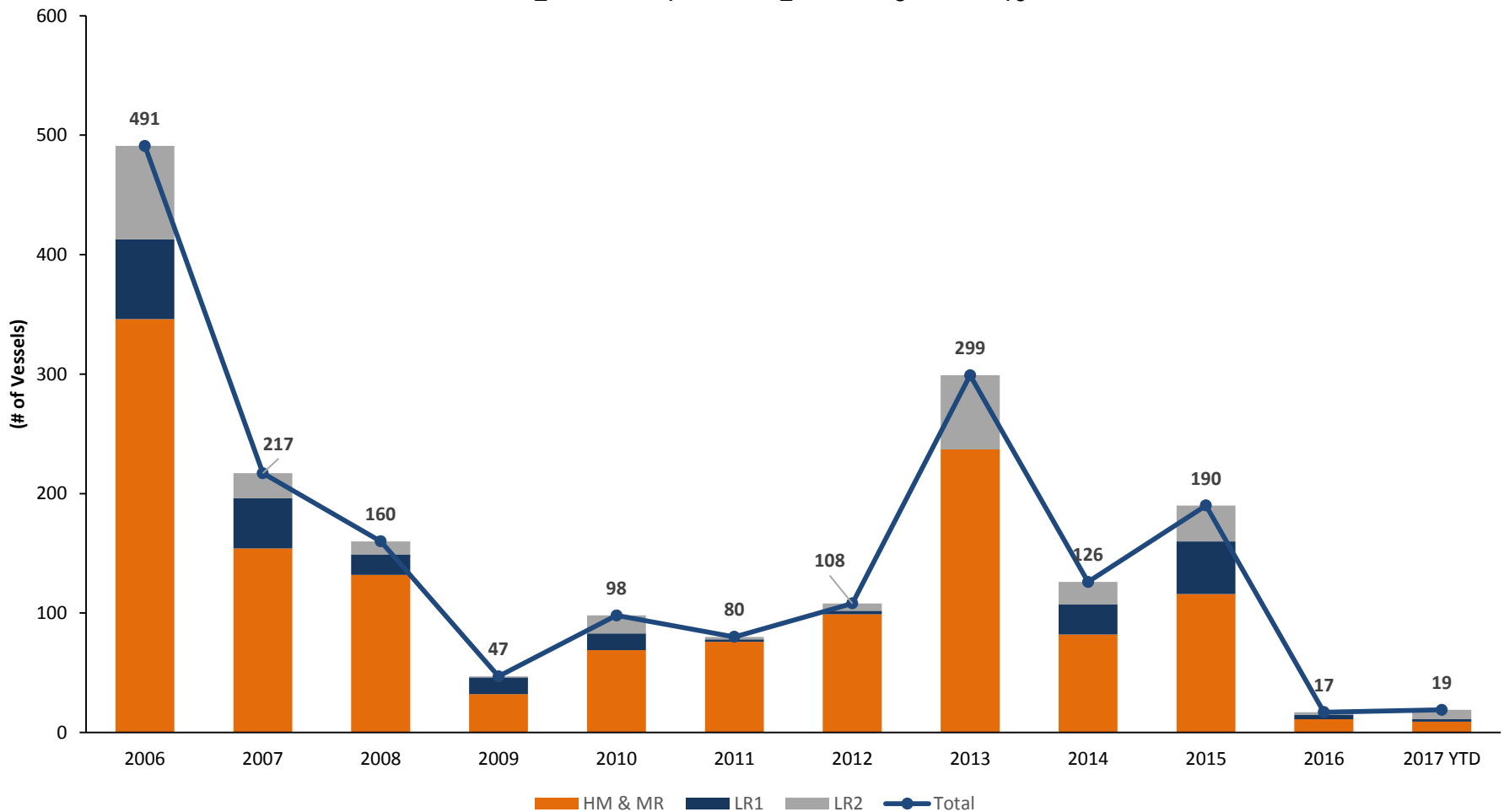
Global Product Tanker Fleet Before Scrapping



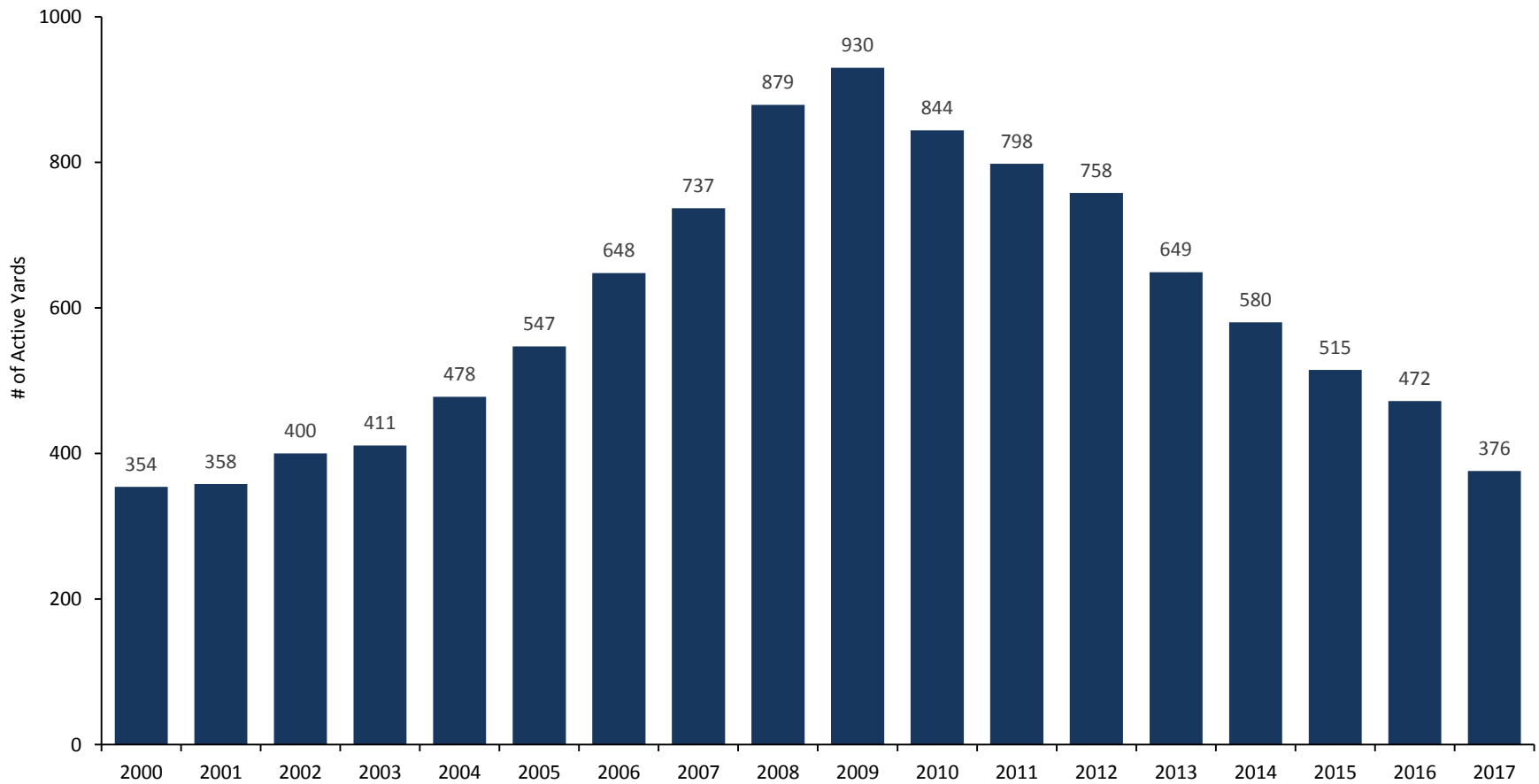
Newbuilding Orders Near 20 Year Low

2017 Newbuilding Contracts YTD

Handymax	MR	LR1	LR2	Total
2	7	2	8	19



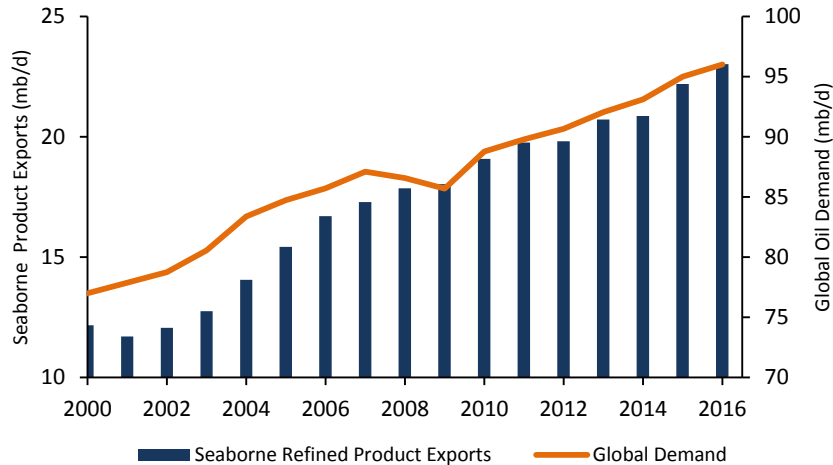
Reduction in Shipyard Capacity



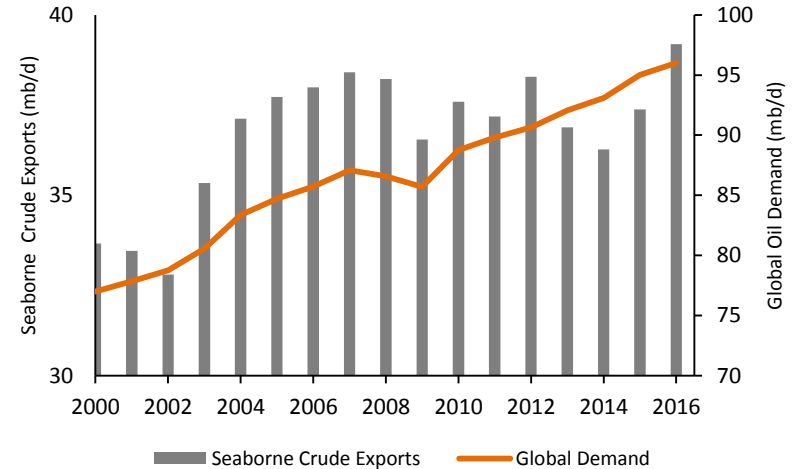
*Active Yards: Yards with at least one vessel above 1,000 GT on order, includes merchant and 'ship-shaped' offshore vessels only.
Source: Clarksons Research Services

Seaborne Product Exports Increase as Oil Demand Grows

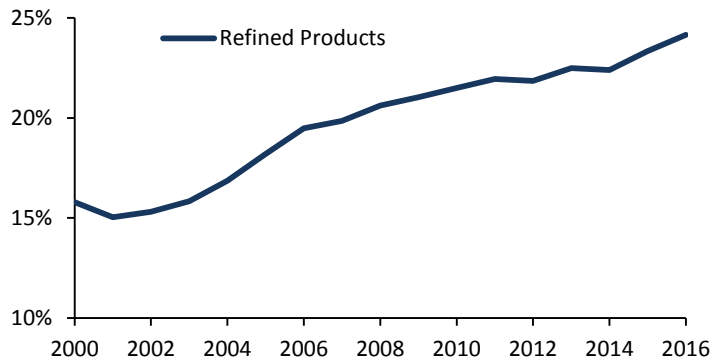
Seaborne Product Exports & Global Demand



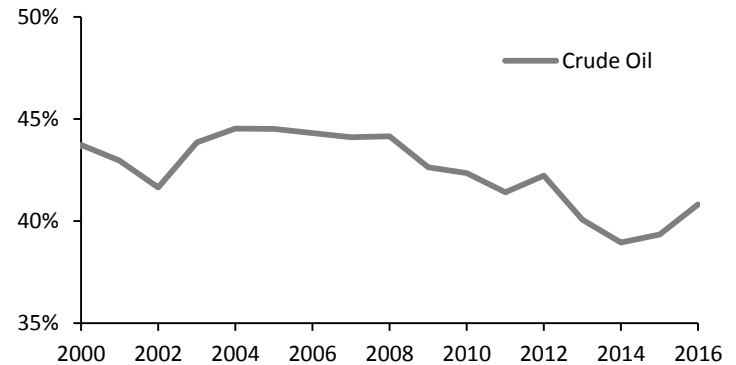
Seaborne Crude Exports & Global Oil Demand



Seaborne Refined Product Exports as % of Oil Demand

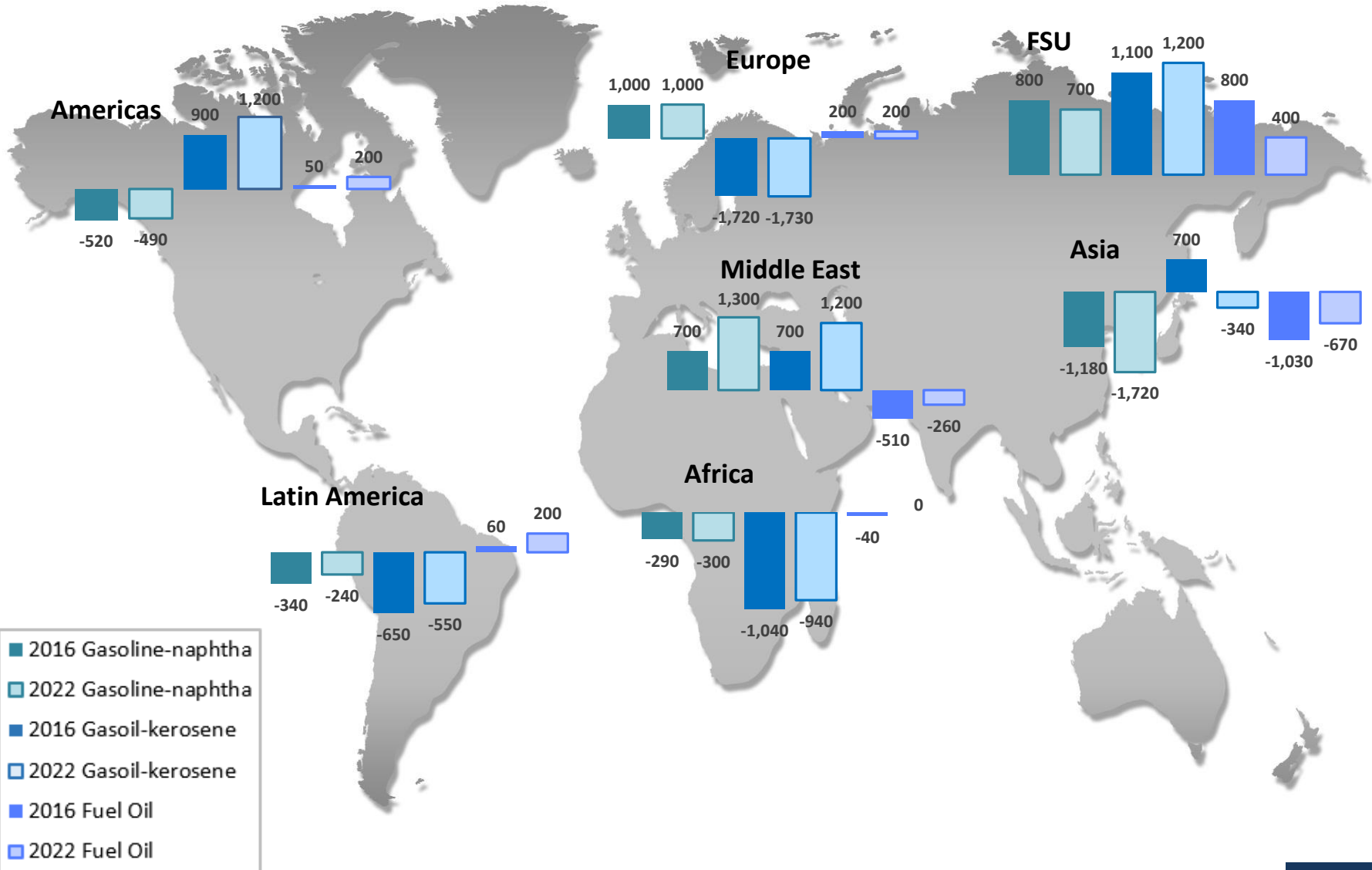


Seaborne Crude Exports as % of Oil Demand



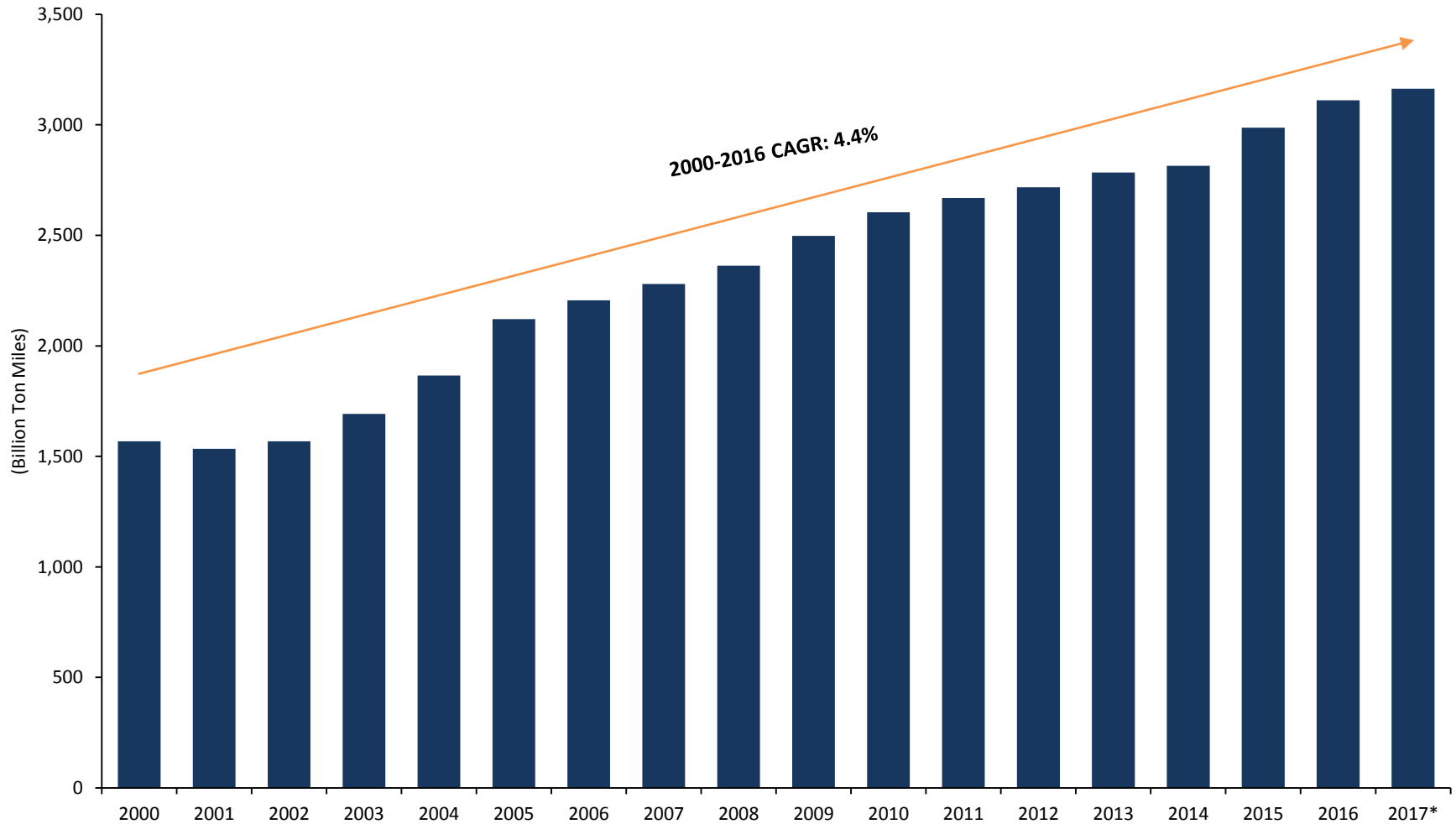
Regional Imbalances Drive Product Tanker Demand Growth

(k.bpd)



(1) Source: International Energy Agency (IEA) 2017

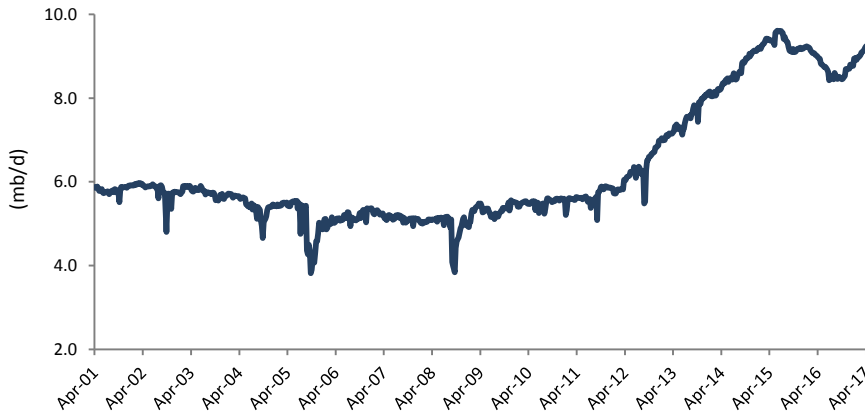
World Seaborne Refined Products Trade



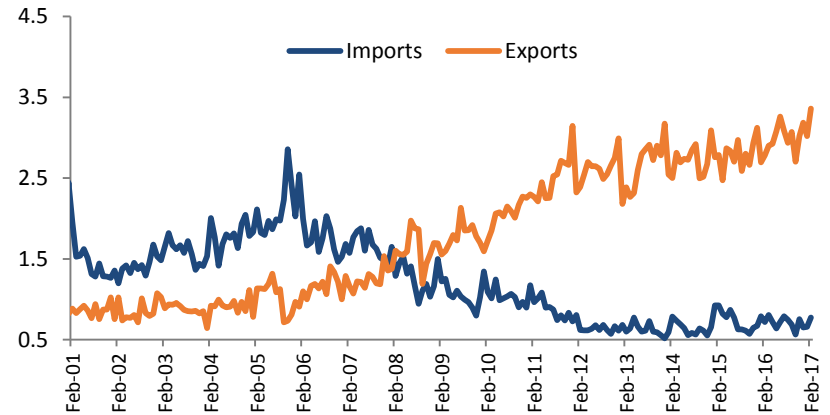
(*) Current full and future year forecasts are as of the start of the month and subject to change.
Source: Clarksons Research Services, May 2017

Structural Drivers in Demand for Refined Products

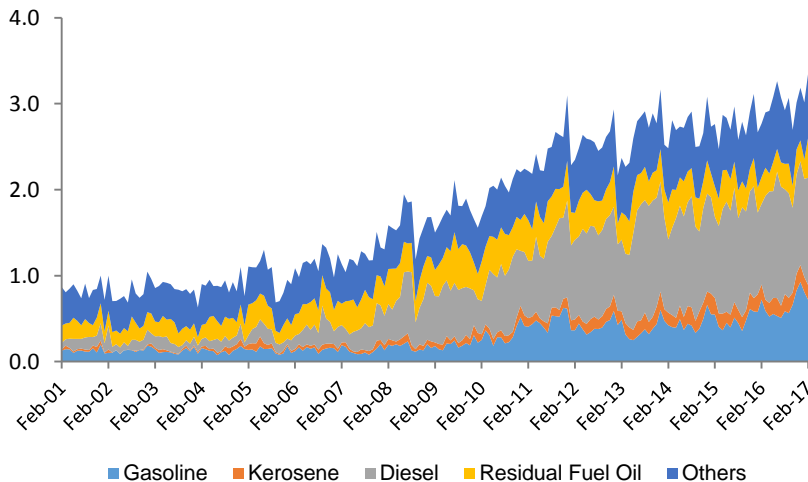
U.S. Crude Oil Production



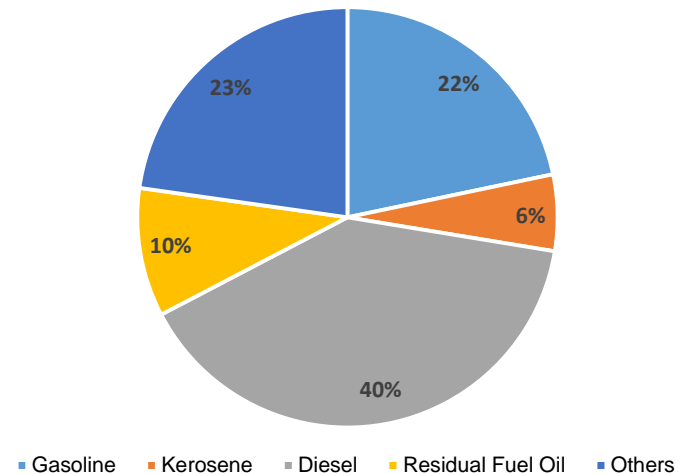
U.S. Imports and Exports of Finished Oil Products



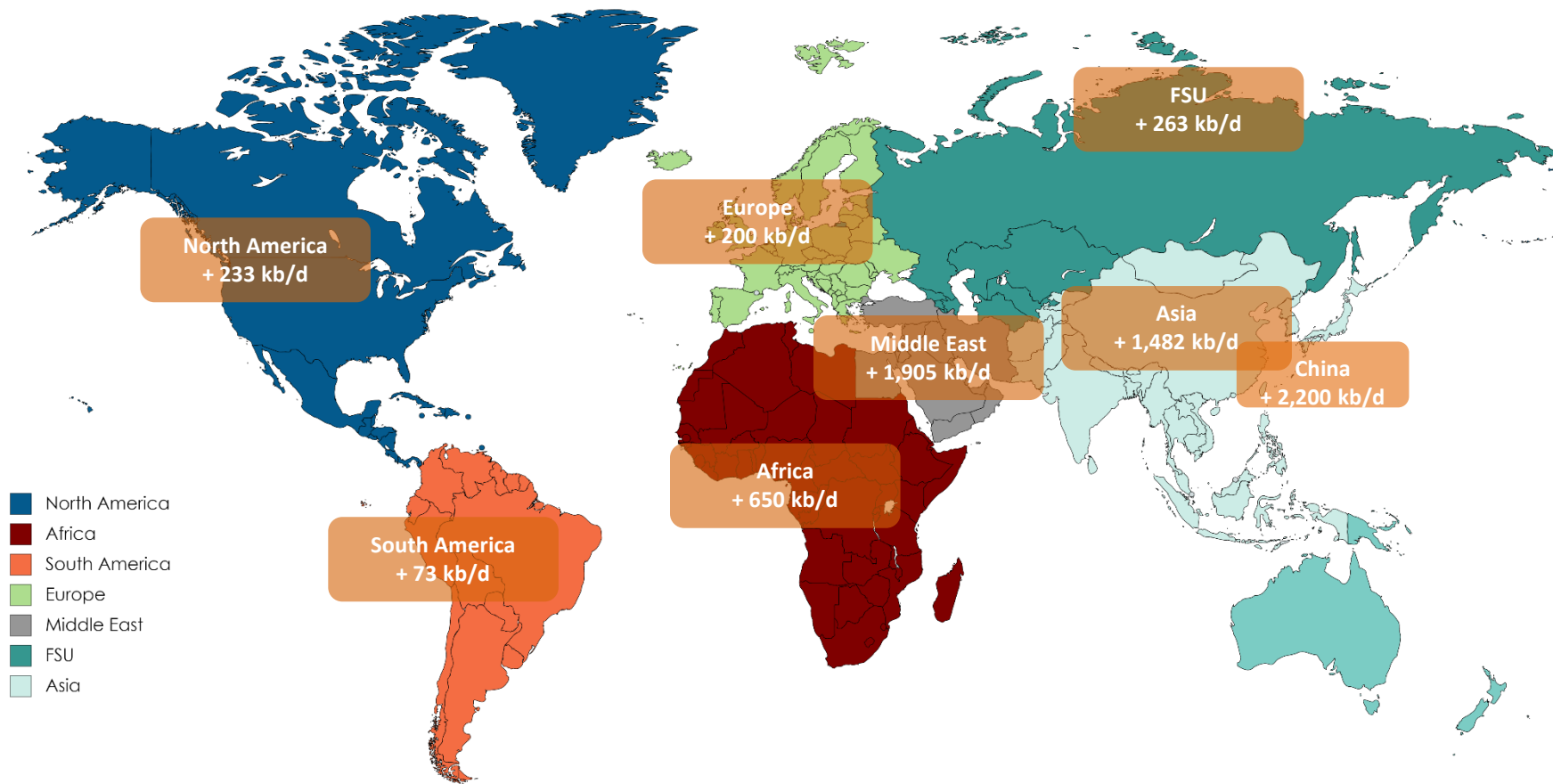
U.S. Finished Oil Product Exports



U.S. Refined Product Exports by Type: Jan 16-Feb 17



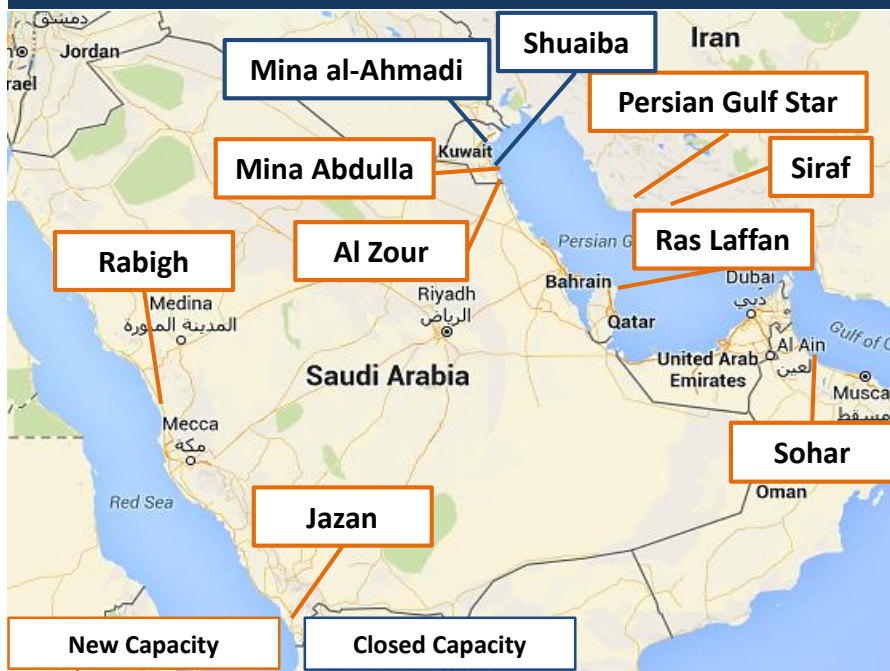
Refinery Capacity Expansions (2017-2022)



Middle East Refining Capacity

- New refinery projects coming on stream in the Middle East exceed regional demand growth, resulting in increased product exports particularly middle distillates.
- Europe is the most likely destination for much of the new volumes, particularly diesel.
- The next major facility to begin operations is Sohar refinery in Oman, which shut down operations in December as part of its testing phase. The 116,000 bpd refinery remains on schedule for 2017 and will increase capacity to around 198,000 bpd.

Major Capacity Additions 2016-2019

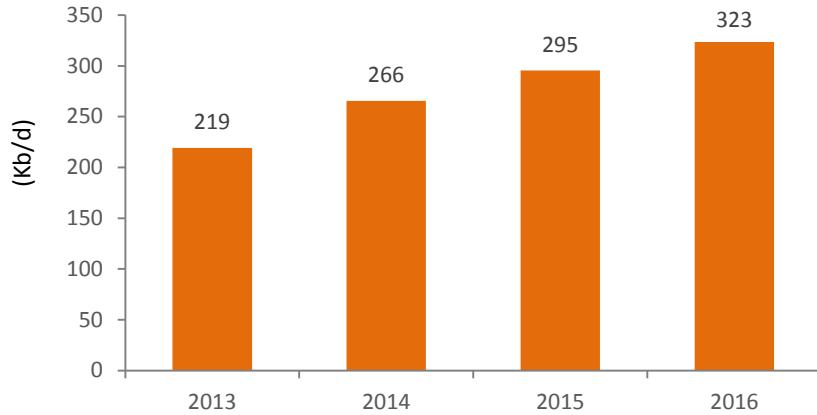


Middle East Refinery Expansion Projects

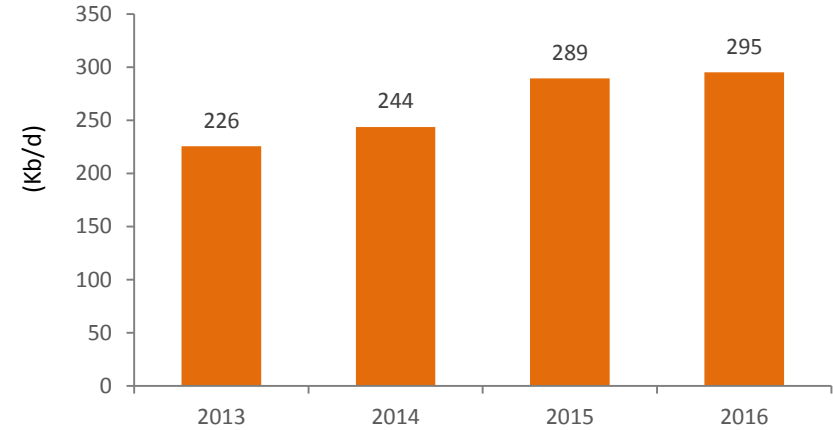
Country	Refinery	Year	Capacity (kb/d)
New Refineries			
Qatar	Ras Laffan 2	2017	145
Iran	Persian Gulf Star 1	2017	120
Oman	Sohar	2017	82
Saudi Arabia	Rabigh 2	2017	50
Iraq	Qaiwan-Baizan	2018	50
Saudi Arabia	Jazan	2018	400
Kuwait	Al Zour	2019	615
Kuwait	Mina Abdulla	2019	184
Iran	Siraf	2019	120
Iran	Persian Gulf Star 2	2019	120
New Refinery Capacity			1,886
Closures			
Kuwait	Shuaiba	2017	-200
Kuwait	Mina al-Ahmadi	2019	-119
Closure Capacity			-319
Capacity Expansion			1,567

Underlying Demand Growth Drives Imports

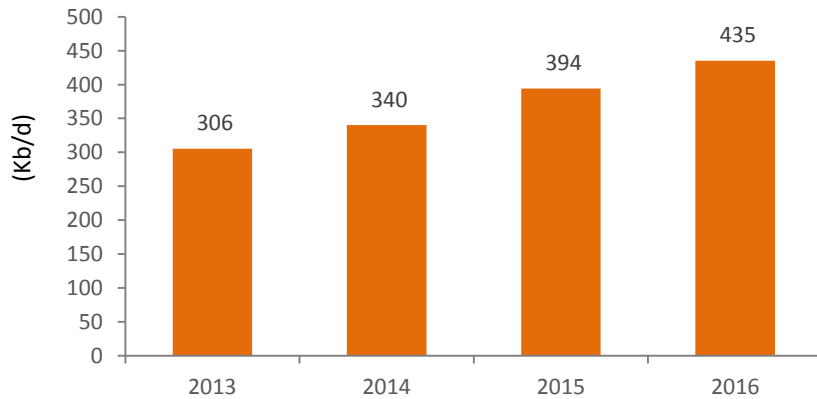
United Kingdom: Diesel



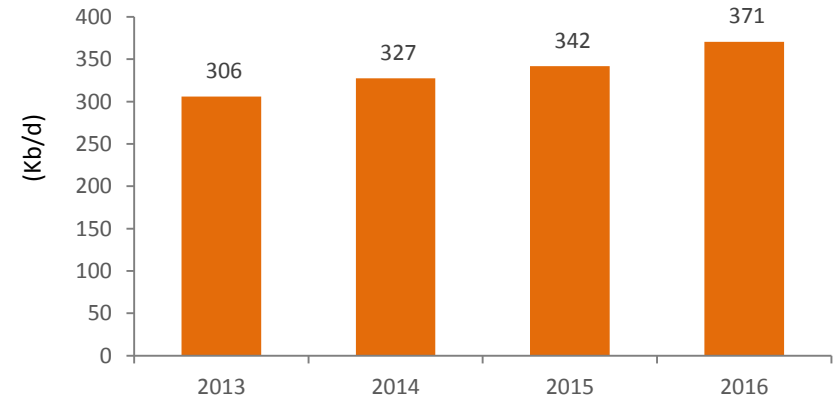
Australia: Diesel



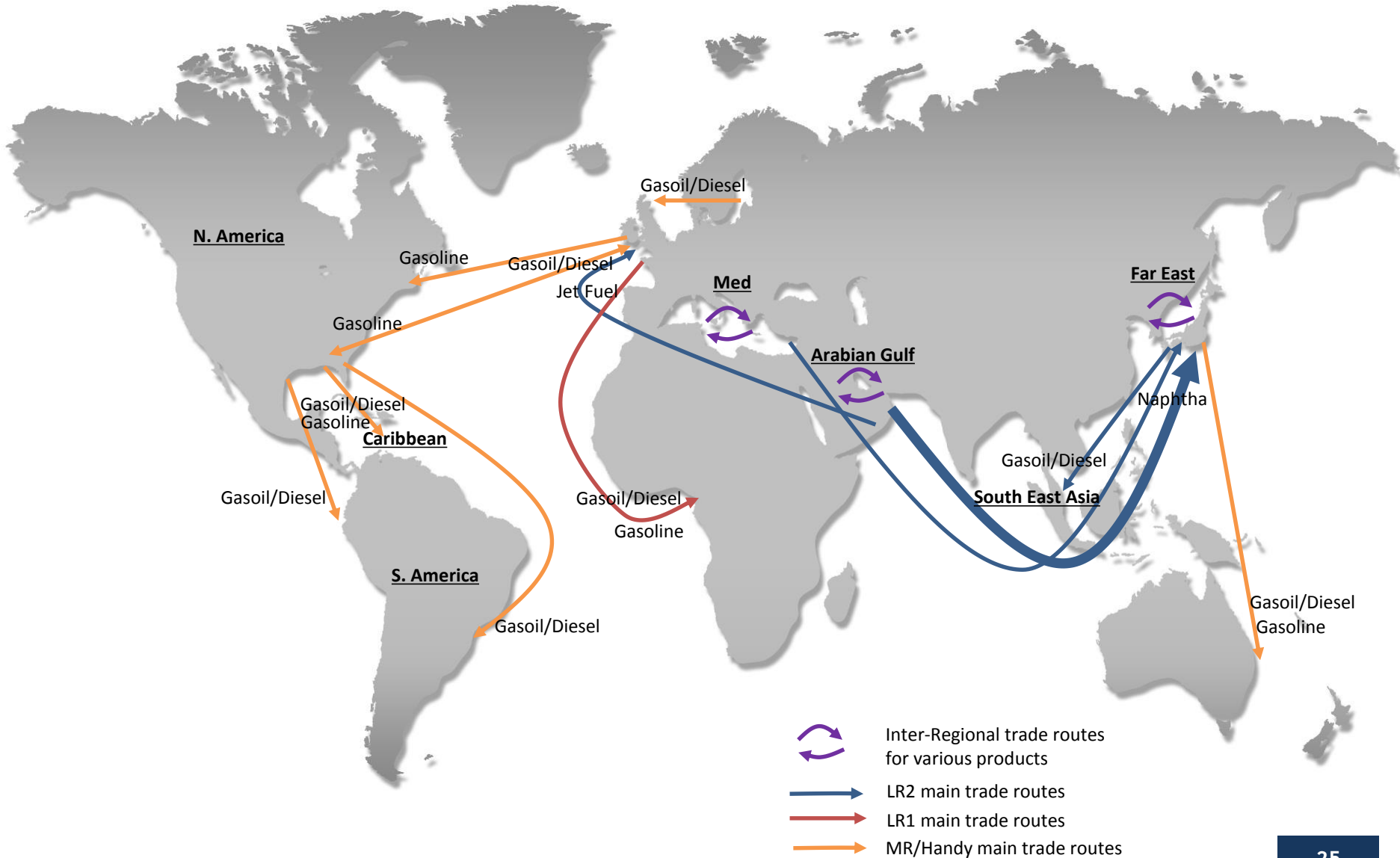
Mexico: Gasoline



Singapore: Gasoline

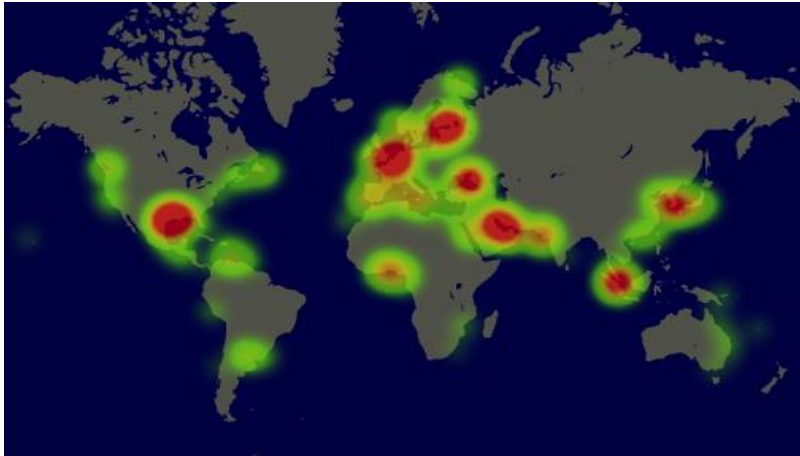


Refined Product Trade Flows

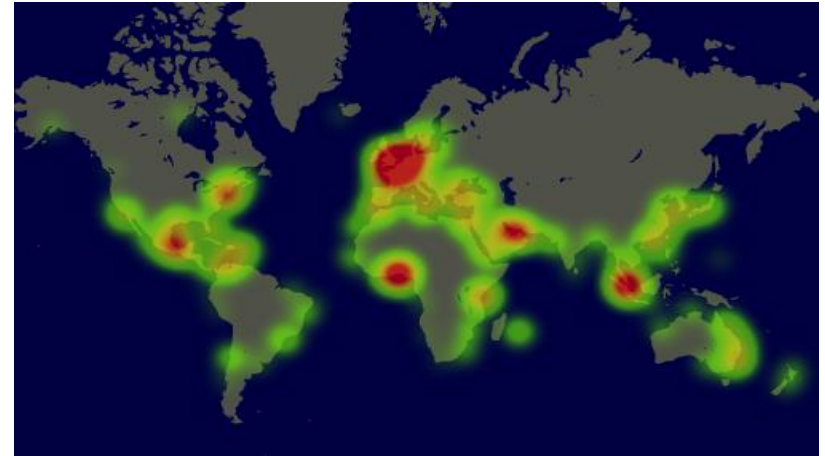


Refined Product Trade Flows

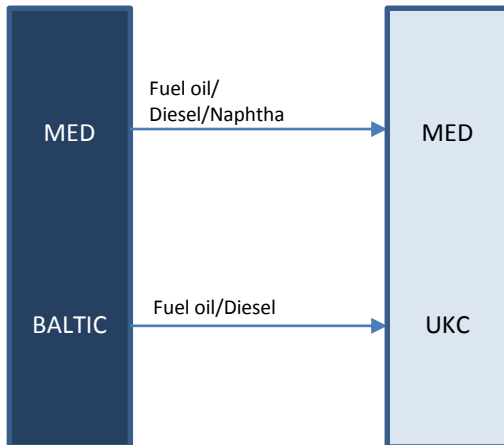
Scorpio Fleet "Loading" Heat Map



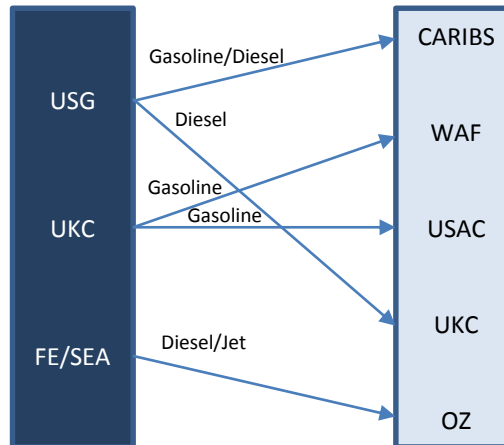
Scorpio Fleet "Discharging" Fleet Map



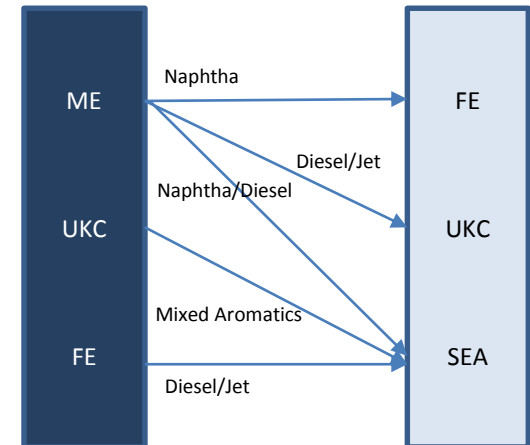
Handymax



MR



LR2



Incremental Supply Needed to Meet New Capacity

Product Tankers Needed to Meet New Capacity Growth AG-FE Illustrative Example	
Incremental Refining Capacity Growth(bbl/d)	500,000
HM/MR Carrying Capacity (bbl)	250,000
LR1/LR2 Carrying Capacity (bbl)	600,000
Laden Speed (knots)	12.5
Ballast Speed (knots)	12.5
Voyage Days (Ras Tanura – Yokohama)	
Sailing (Round Trip)	44
Loading	2
Discharging	2
Total Voyage Days (Per Trip)	48
Operating Days (Per Year)	360
AG-FE Round Trip Voyages Per Year	7.5
Product Tankers Needed Per Year	
HM/MR Needed Per Year	96
LR1/LR2 Needed Per Year	40



→ AG-Far East trade route

Appendix

Fleet List

Owned Vessels

Name	Year	DWT	Type	Name	Year	DWT	Type
STI Comandante	May-14	38,734	HM	STI Soho	Dec-14	49,990	MR
STI Brixton	Jun-14	38,734	HM	STI Tribeca	Jan-15	49,990	MR
STI Pimlico	Jul-14	38,734	HM	STI Gramercy	Jan-15	49,990	MR
STI Hackney	Aug-14	38,734	HM	STI Bronx	Feb-15	49,990	MR
STI Acton	Sep-14	38,734	HM	STI Pontiac	Mar-15	49,990	MR
STI Fulham	Sep-14	38,734	HM	STI Manhattan	Mar-15	49,990	MR
STI Camden	Sep-14	38,734	HM	STI Queens	Apr-15	49,990	MR
STI Battersea	Oct-14	38,734	HM	STI Osceola	Apr-15	49,990	MR
STI Wembley	Oct-14	38,734	HM	STI Notting Hill	May-15	49,687	MR
STI Finchley	Nov-14	38,734	HM	STI Seneca	Jun-15	49,990	MR
STI Clapham	Nov-14	38,734	HM	STI Westminster	Jun-15	49,990	MR
STI Poplar	Dec-14	38,734	HM	STI Brooklyn	Jul-15	49,990	MR
STI Hammersmith	Jan-15	38,734	HM	STI Black Hawk	Sep-15	49,990	MR
STI Rotherhithe	Jan-15	38,734	HM	STI Galata	Mar-17	50,000	MR
STI Amber	Jul-12	49,990	MR	STI Bosphorus	Apr-17	50,000	MR
STI Topaz	Aug-12	49,990	MR	STI Elysees	Jul-14	109,999	LR2
STI Ruby	Sep-12	49,990	MR	STI Madison	Aug-14	109,999	LR2
STI Garnet	Sep-12	49,990	MR	STI Park	Sep-14	109,999	LR2
STI Onyx	Sep-12	49,990	MR	STI Orchard	Sep-14	109,999	LR2
STI Fontvieille	Jul-13	49,990	MR	STI Sloane	Oct-14	109,999	LR2
STI Ville	Sep-13	49,990	MR	STI Broadway	Nov-14	109,999	LR2
STI Opera	Jan-14	49,990	MR	STI Condotti	Nov-14	109,999	LR2
STI Duchessa	Jan-14	49,990	MR	STI Rose	Jan-15	109,999	LR2
STI Texas City	Mar-14	49,990	MR	STI Veneto	Jan-15	109,999	LR2
STI Meraux	Apr-14	49,990	MR	STI Alexis	Jan-15	109,999	LR2
STI San Antonio	May-14	49,990	MR	STI Winnie	Mar-15	109,999	LR2
STI Venere	Jun-14	49,990	MR	STI Oxford	Apr-15	109,999	LR2
STI Virtus	Jun-14	49,990	MR	STI Lauren	Apr-15	109,999	LR2
STI Aqua	Jul-14	49,990	MR	STI Connaught	May-15	109,999	LR2
STI Dama	Jul-14	49,990	MR	STI Spiga	Jun-15	109,999	LR2
STI Benicia	Sep-14	49,990	MR	STI Savile Row	Jun-15	109,999	LR2
STI Regina	Sep-14	49,990	MR	STI Kingsway	Aug-15	109,999	LR2
STI St Charles	Sep-14	49,990	MR	STI Lombard	Aug-15	109,999	LR2
STI Mayfair	Oct-14	49,990	MR	STI Carnaby	Sep-15	109,999	LR2
STI Yorkville	Oct-14	49,990	MR	STI Grace	Mar-16	109,999	LR2
STI Memphis	Nov-14	49,995	MR	STI Jermyn	Jun-16	109,999	LR2
STI Milwaukee	Nov-14	49,990	MR	STI Selatar	Feb-17	109,999	LR2
STI Battery	Dec-14	49,990	MR	STI Rambla	Mar-17	109,999	LR2

2017 & 2018 Delivery Schedule

Name	Year	DWT	Type
STI Leblon	Jul-17	50,000	MR
STI La Boca	Jul-17	50,000	MR
STI San Telmo	Aug-17	50,000	MR
STI Donald C. Trauscht	Oct-17	50,000	MR
STI Esles II	Dec-17	50,000	MR
STI Jardins	Jan-18	50,000	MR

**76 existing vessels, plus 6
Newbuilds**

Current Shareholders	% Ownership
Wellington Management Company	11.4%
Dimensional Fund Advisors	8.4%
BlackRock Fund Advisors	3.7%
Hosking Partners	3.4%
Boston Partners Global Investor	2.7%
Investec Asset Management	2.2%
Numeric Investors	2.0%
Impala Asset Management	1.8%
Comerica Bank (Asset Management)	1.8%
Avenue Capital Management	1.7%
Putnam Investment Management	1.7%
Fidelity Management & Research Company	1.6%
State Street Global Advisors	1.6%
Tricadia Capital Management	1.6%
Baron Capital Management	1.5%
Nuveen Asset Management	1.5%
Portolan Capital Management	1.5%
American Century Investment Management	1.1%
Russell Investment Management Company	1.0%
Northern Trust Investments	1.0%