

STIFEL Conference Presentation  
February 12, 2019

# Disclaimer and Forward-looking Statements

This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Scorpio Tanker Inc.’s (“Scorpio’s”) current views with respect to future events and financial performance. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect” and similar expressions identify forward-looking statements. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in Scorpio’s records and other data available from third parties. Although Scorpio believes 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 Scorpio’s control, Scorpio cannot assure you that it will achieve or accomplish these expectations, beliefs, projections or future financial performance.

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 and environmental 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, or furnishes to, 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.

Scorpio has filed a registration statement (including a base prospectus) and has or expects to file a preliminary prospectus supplement with the Commission for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents Scorpio files with, or furnishes to, the SEC for more complete information about Scorpio and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov).

# Disclaimer and Forward-looking Statements (Cont'd)

This presentation describes time charter equivalent revenue, or TCE revenue, which is not a measure prepared in accordance with IFRS (i.e. a "Non-IFRS" measure). TCE revenue is presented here because we believe that it provide investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance. This Non-IFRS measure should not be considered in isolation from, as substitute for, or superior to financial measures prepared in accordance with IFRS.

The Company believes that the presentation of TCE revenue is useful to investors because it facilitates the comparability and the evaluation of companies in the Company's industry. In addition, the Company believes that TCE revenue is useful in evaluating its operating performance compared to that of other companies in the Company's industry. The Company's definition of TCE revenue may not be the same as reported by other companies in the shipping industry or other industries. For a reconciliation of TCE revenue to revenue, please see the Appendix of this presentation.

Unless otherwise indicated, information contained in this presentation concerning Scorpio's industry and the market in which it operates, including its general expectations about its industry, market position, market opportunity and market size, is based on data from various sources including internal data and estimates as well as third party sources widely available to the public such as independent industry publications, government publications, reports by market research firms or other published independent sources. Internal data and estimates are based upon this information as well as information obtained from trade and business organizations and other contacts in the markets in which Scorpio operates and management's understanding of industry conditions. This information, data and estimates involve a number of assumptions and limitations, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed above. You are cautioned not to give undue weight to such information, data and estimates. While Scorpio believes the market and industry information included in this presentation to be generally reliable, it has not independently verified any third-party information or verified that more recent information is not available.



## **Scorpio Tankers Inc. Fourth Quarter 2018 Earnings Release Date**

Date: Thursday, February 14, 2019

### **Conference Call Details**

Date: Thursday, February 14, 2019

Time: 8:30 AM Eastern Standard Time and 2:30 PM Central European Time

US Dial-In Number: 1 (855) 861-2416

International Dial-In Number: +1 (703) 736-7422

Conference ID: 849 8535

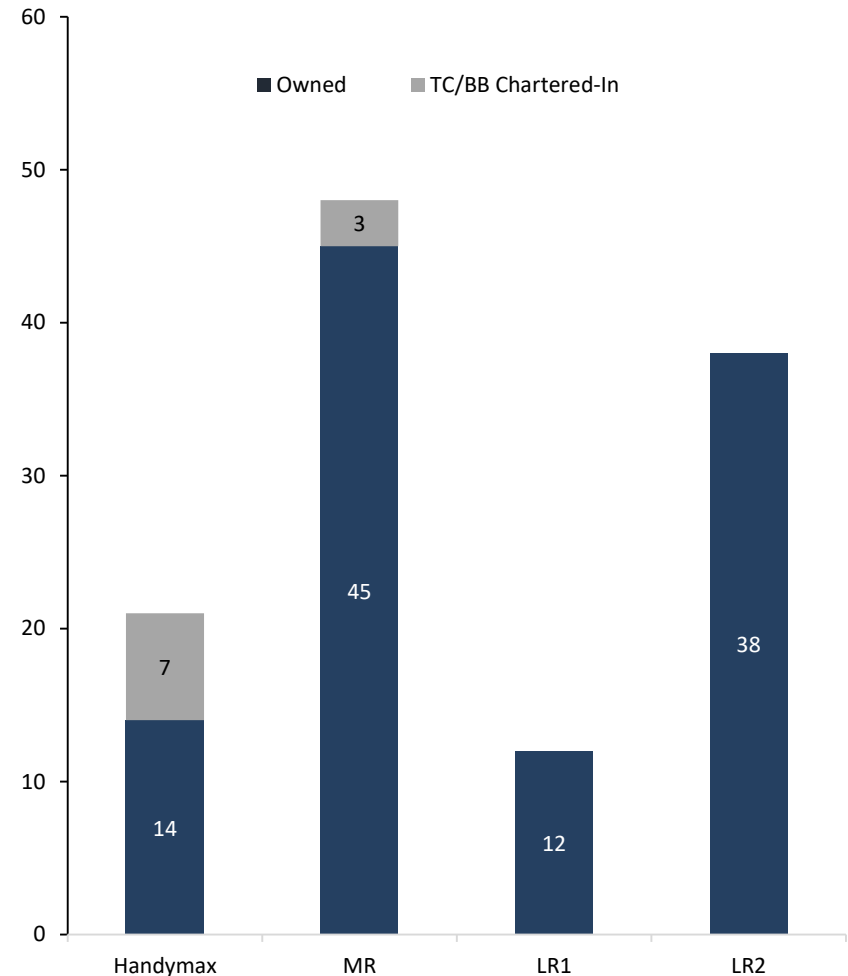
Participants should dial into the call 10 minutes before the scheduled time.

## Key Facts

### Scorpio Tankers Inc. is the world's largest and youngest product tanker company

- Pure play product tanker offering all asset classes
  - 109 owned ECO product tankers on the water with an average age of 3.5 years
  - 10 time/bareboat chartered-in vessels
- NYSE-compliant governance, listed under the ticker "STNG"
- Headquartered in Monaco, incorporated in the Marshall Islands and is not subject to US income tax
- Vessels employed in well-established Scorpio pools with a track record of outperforming the market
- Merged with Navig8 Product Tankers in 2017, acquiring 27 ECO-spec product tankers

## Fleet Profile



# 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.

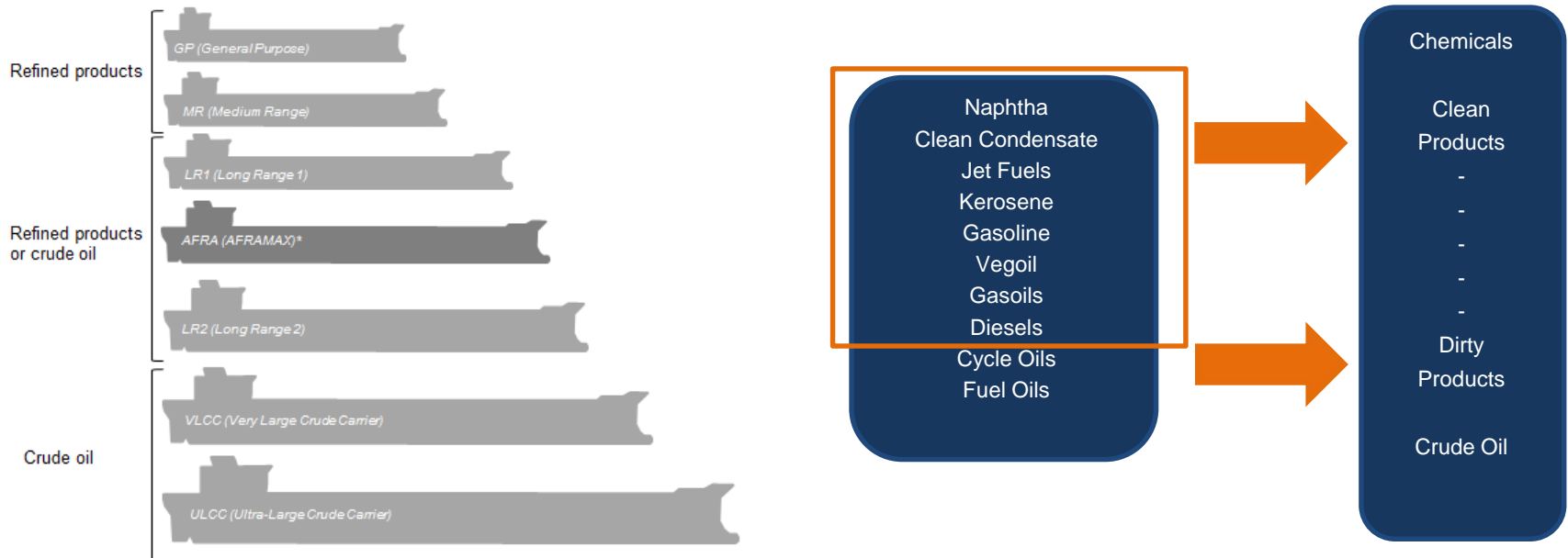
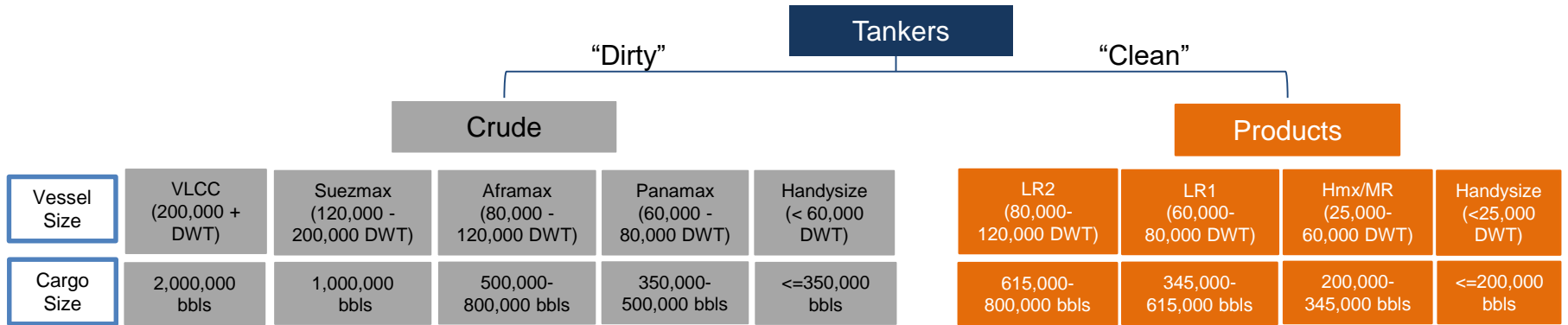
## Terminalling & Distribution



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		
<b>IMO Class I</b>	<b>Chemical Tankers</b>	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.
<b>IMO Class II</b>	<b>Chemical &amp; Product Tankers</b>	IMO Class II carries Veg & Palm Oils, Caustic Soda. These tanks tend to be coated with Epoxy or Stainless steel.
<b>IMO Class III</b>	<b>Product Tankers</b>	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.



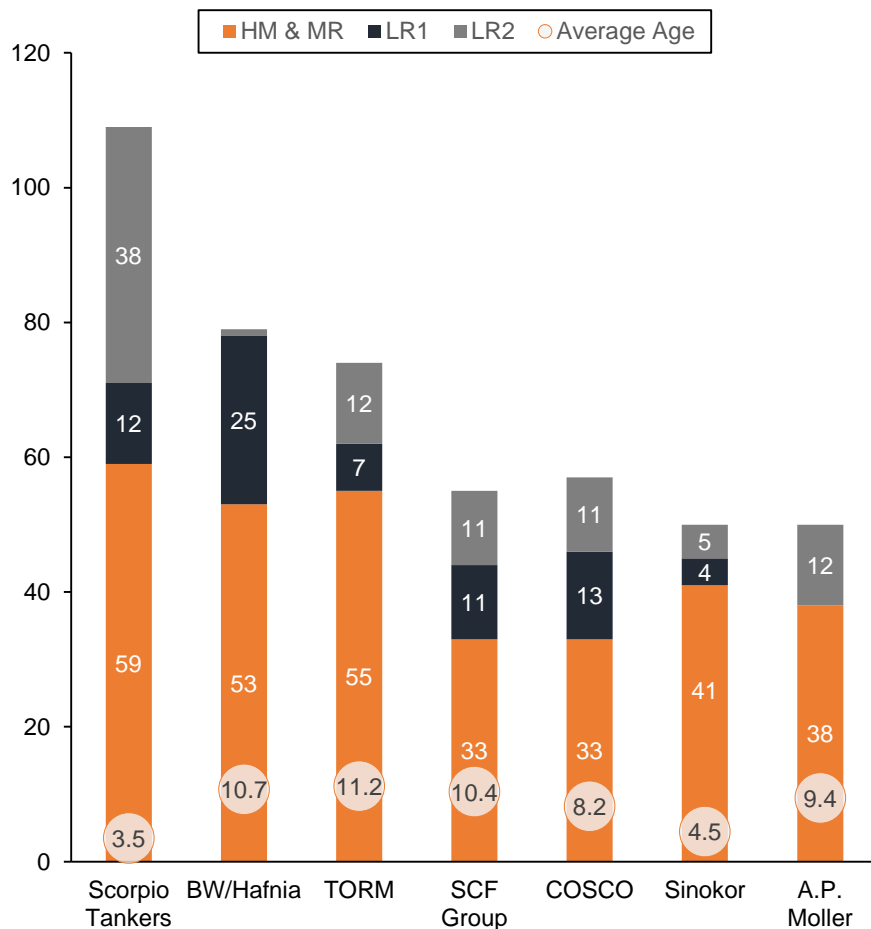
<b>Youngest &amp; largest product tanker fleet in the world</b>		<ul style="list-style-type: none"> <li>• 109 owned ECO product tankers on the water with an average age of 3.5 years</li> </ul>
<b>Vessels employed in Scorpio pools</b>		<ul style="list-style-type: none"> <li>• The world's largest product tanker operating platform with track record of consistently outperforming the market</li> </ul>
<b>Significant operating leverage</b>		<ul style="list-style-type: none"> <li>• A \$1,000/day change in rates equates to \$43 million in annualized cash flow<sup>(1)</sup></li> </ul>
<b>IMO 2020: Scrubbers &amp; the Demand Story</b>	 	<ul style="list-style-type: none"> <li>• Scrubbers manage the downside risk of rising fuel costs and provide upside potential through fuel savings</li> <li>• Product tankers expected to benefit from increased demand for refined products as result of changing fuel regulations</li> </ul>
<b>Short term drivers support market inflection point</b>		<ul style="list-style-type: none"> <li>• Reduction in global inventories tightens supply and creates the potential for increased trading arbitrage</li> <li>• Asset values and time charter rates have increased y-o-y reflecting improving market fundamentals</li> </ul>
<b>Positive long term market fundamentals</b>		<ul style="list-style-type: none"> <li>• Remaining orderbook provides favorable supply / demand</li> <li>• Refinery capacity expansions continue to move closer to the well-head, increasing ton-mile demand</li> </ul>

1) Based on a fleet of 119 product tankers (109 owned and 10 bb/tc-in)

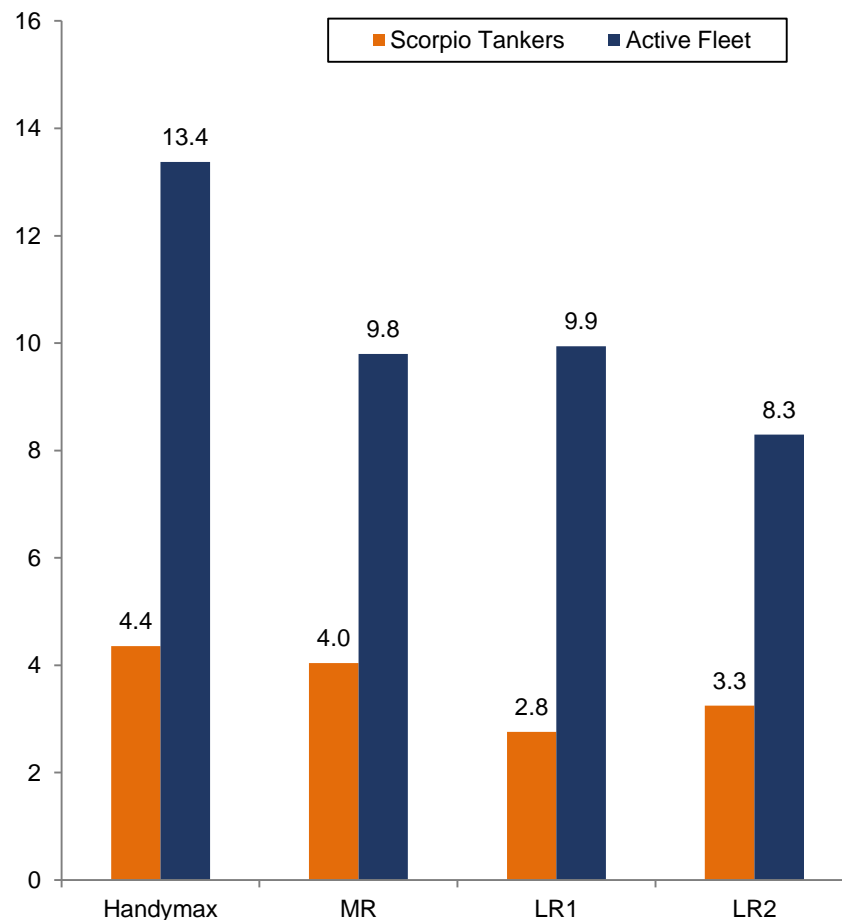
# Largest and Most Modern Product Tanker Fleet Relative to Peers

Large, Modern Fleet Best Positions STNG Investors to Capture Market Recovery

## Largest & Most Modern Product Tanker Fleet



## Scorio Average Age vs. Worldwide Fleet

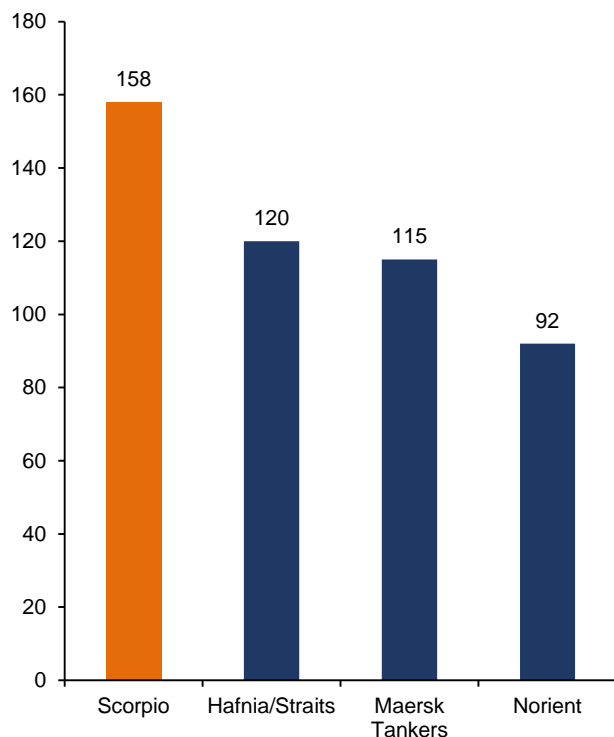


Figures do not include newbuilding vessels on order.  
Source: Clarksons Shipping Intelligence, February 2019

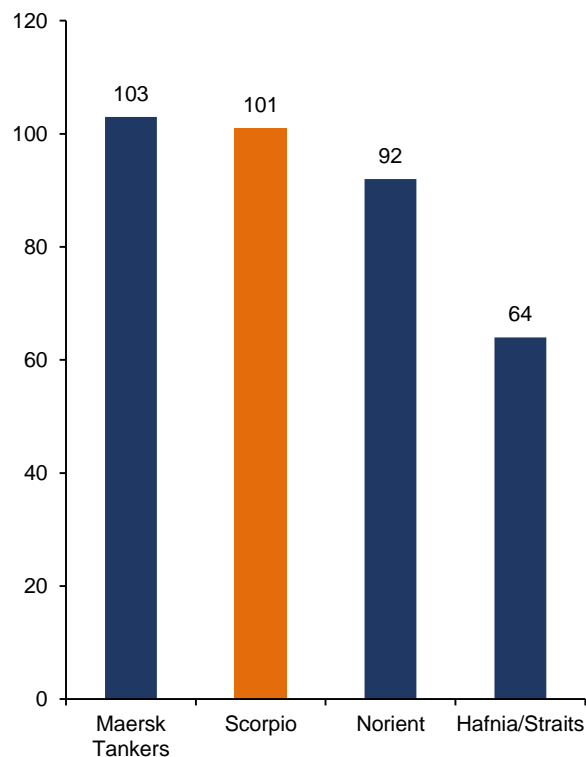
# Scorpio Pools Provide World's Largest Operating Platform

- Scorpio's trading platform operates the largest product tanker fleet in the market with over **158** vessels under commercial management

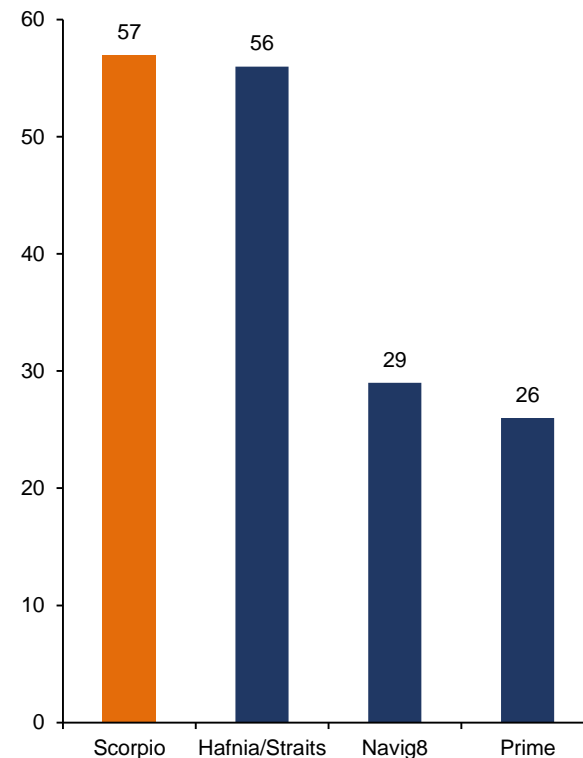
## Top Product Tanker Operators



## Top HM/MR Operators

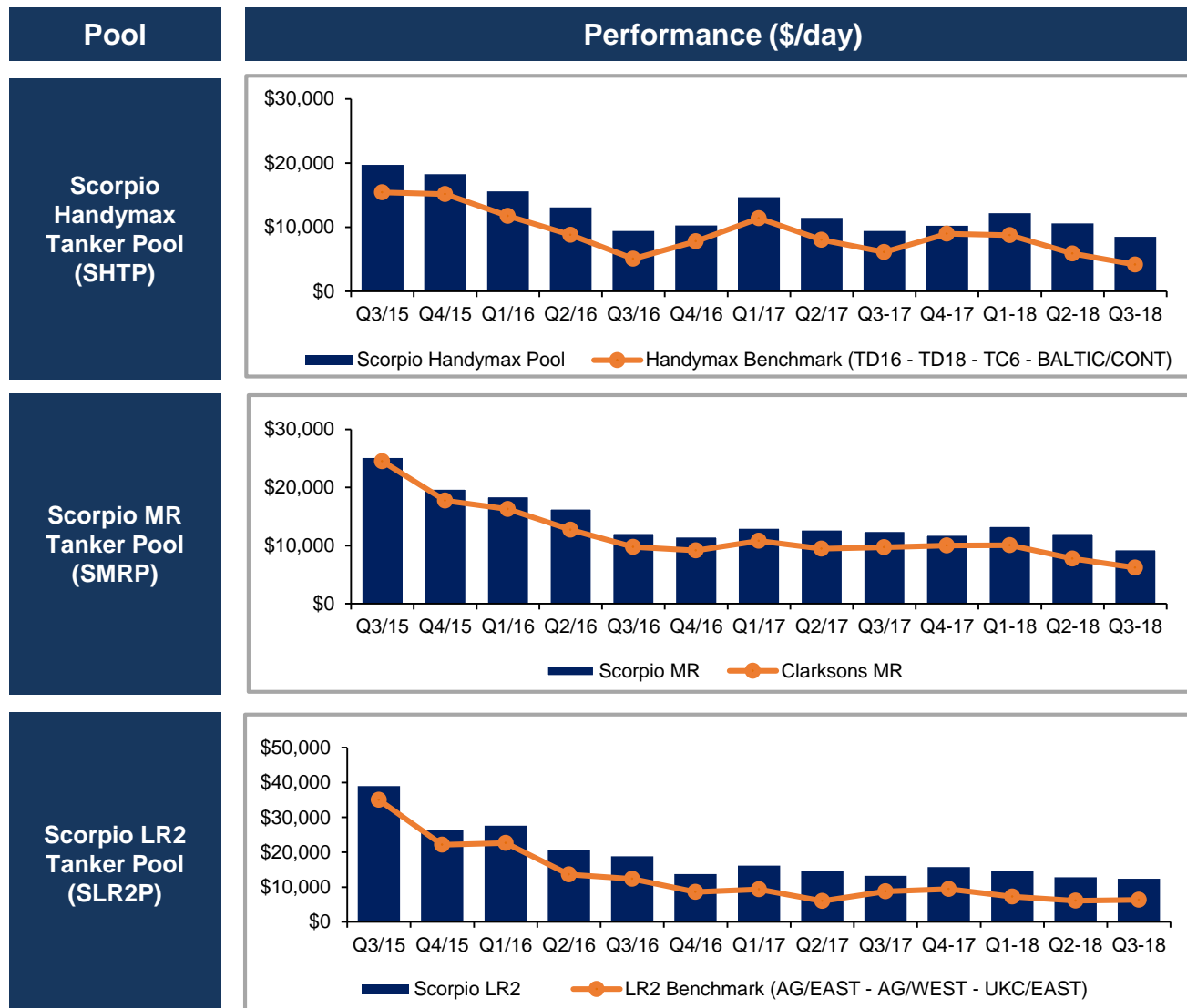


## Top LR Operators



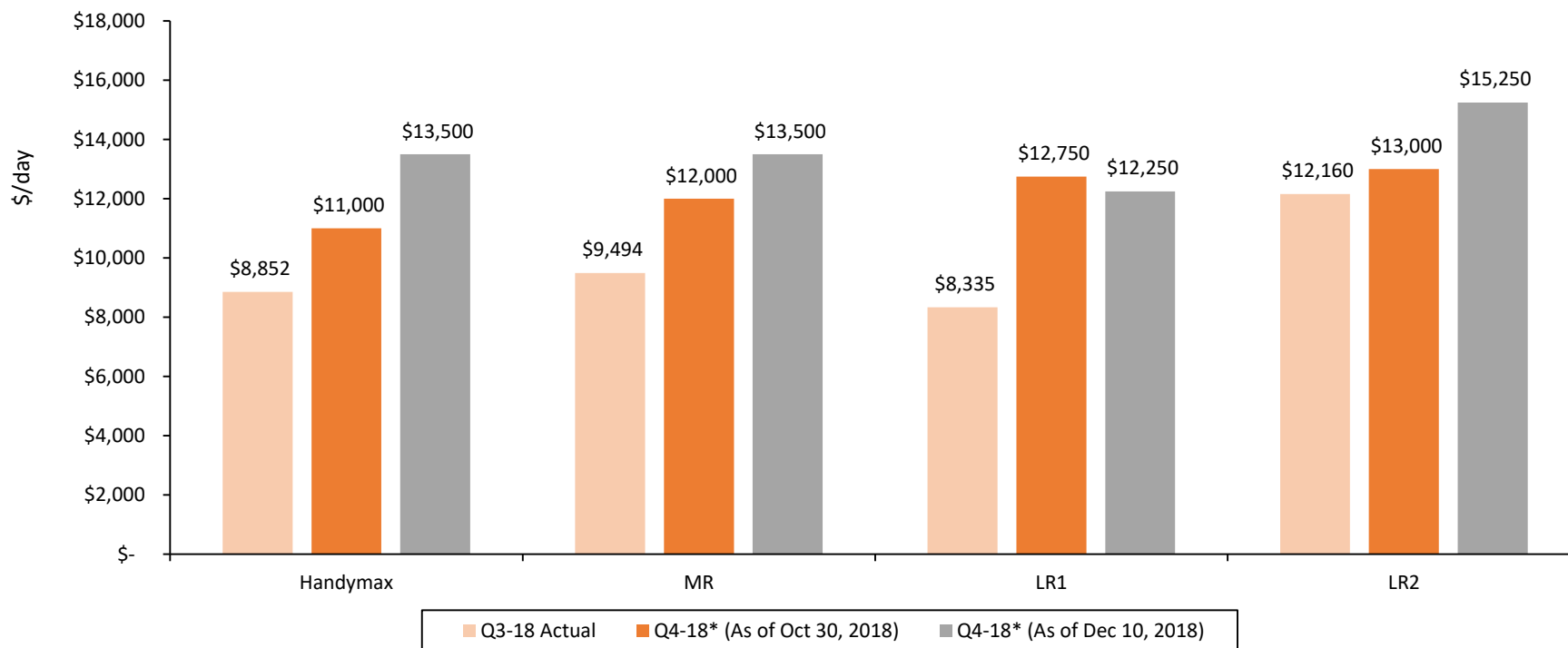
# Scorpio Pools Have Consistently Outperformed Market

- Scorpio's trading platform operates the largest product tanker fleet in the market
- Over 158 product tankers under commercial management offering economies of scale
- Strong trading relationships with a high quality customer base
- Scale and ability to serve customer base, offers enhanced market intelligence and increased trading opportunities
- Real financial benefits for STNG and Scorpio Pool participants from consistent outperformance vs market



# Improving TCE Rates Translate to TCE Acceleration

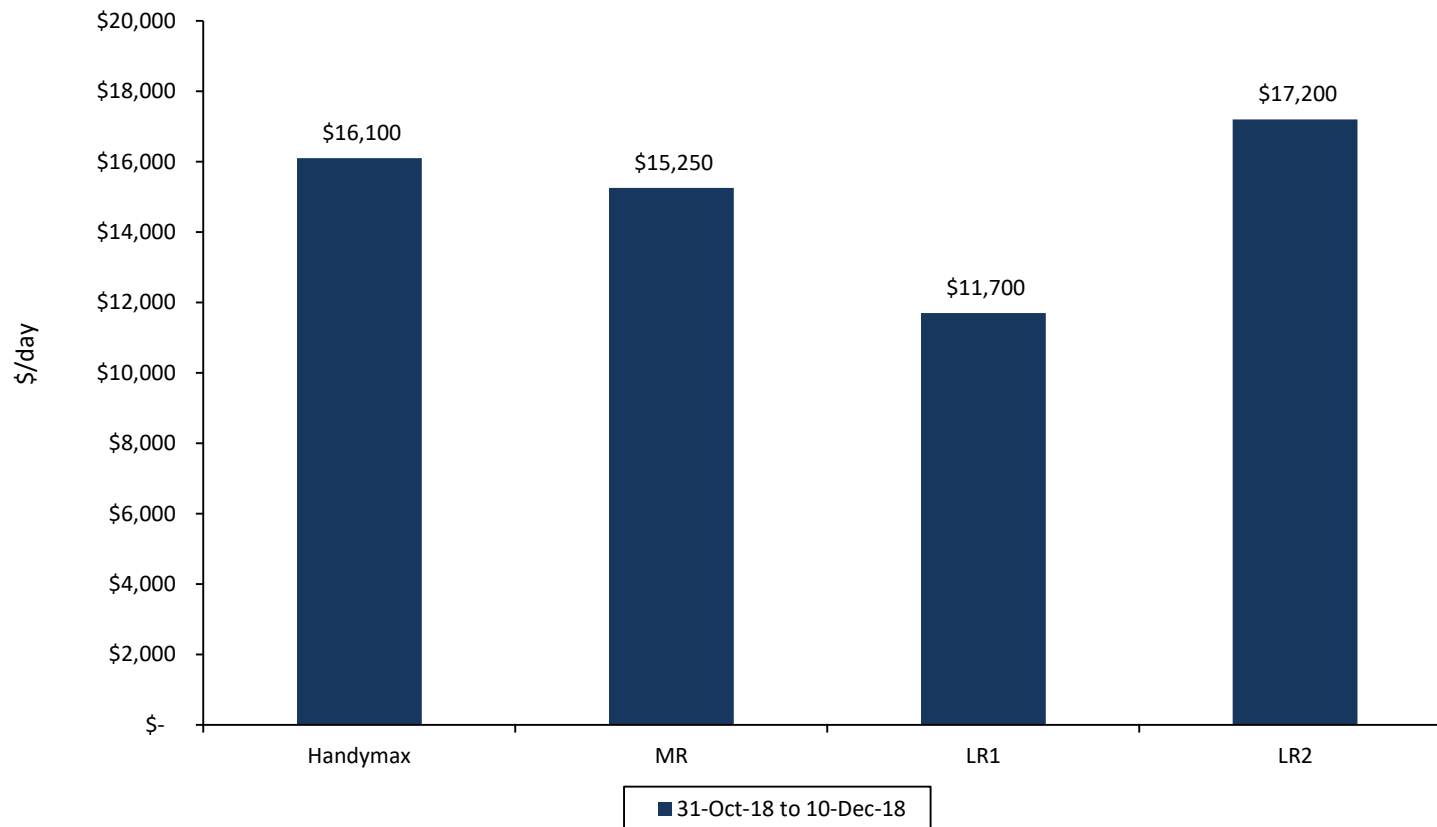
- The improvement in TCE rates from:
  - Q3-18 Actual Rates compared to the Q4-18 guidance as of October 30, 2018 translates to \$22 million in incremental cash flow in Q4 2018
  - Q3-18 Actual Rates compared to the Q4-18 guidance as of December 10, 2018 translates to \$40 million in incremental cash flow in Q4 2018





# Recent Improvements are Substantial

## TCE Rates from October 31, 2018 to December 10, 2018

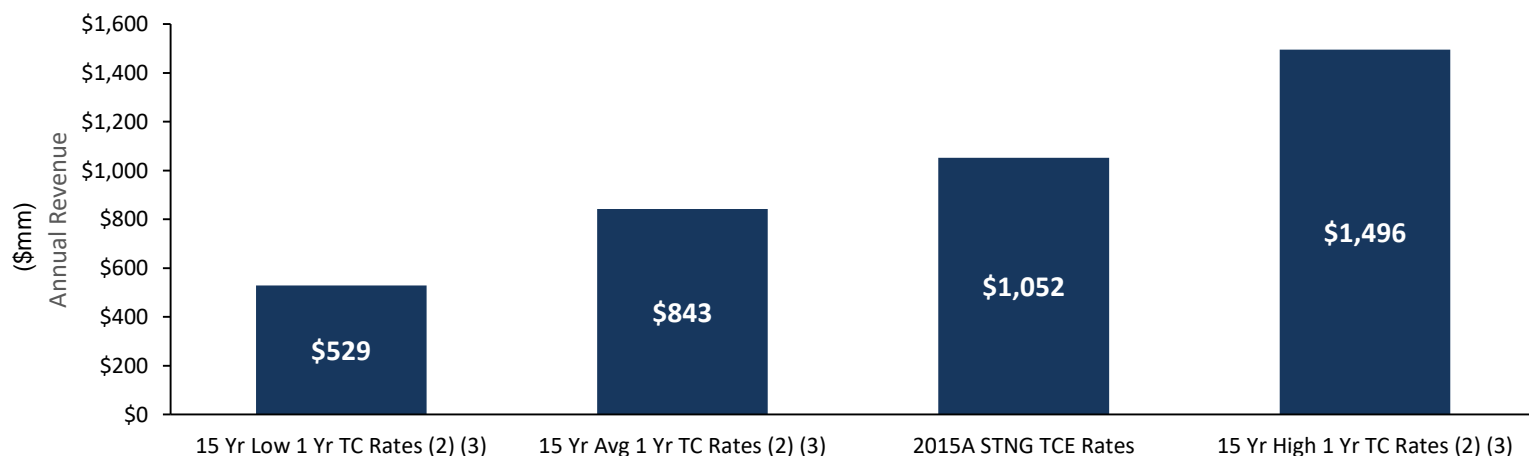


# Significant Leverage to Market Recovery

- \$1,000 increase in rates equates to an additional ~\$43 million of cash flow based on 119 product tankers
- \$5,000 increase in rates equates to ~\$217 million of cash flow
- \$10,000 increase in rates equates to ~\$434 million of cash flow

Type	Fleet Size			Scorpio TCE Rates
	Owned Vessels	TC/BB-In	Total Vessels	2015A
HM	14	7	21	\$19,686
MR	45	3	48	\$21,803
LR1	12	-	12	\$21,804
LR2	38	-	38	\$30,544
<b>Total</b>	<b>109</b>	<b>10</b>	<b>119</b>	

## Annual Revenue Potential at Historical Rate Levels



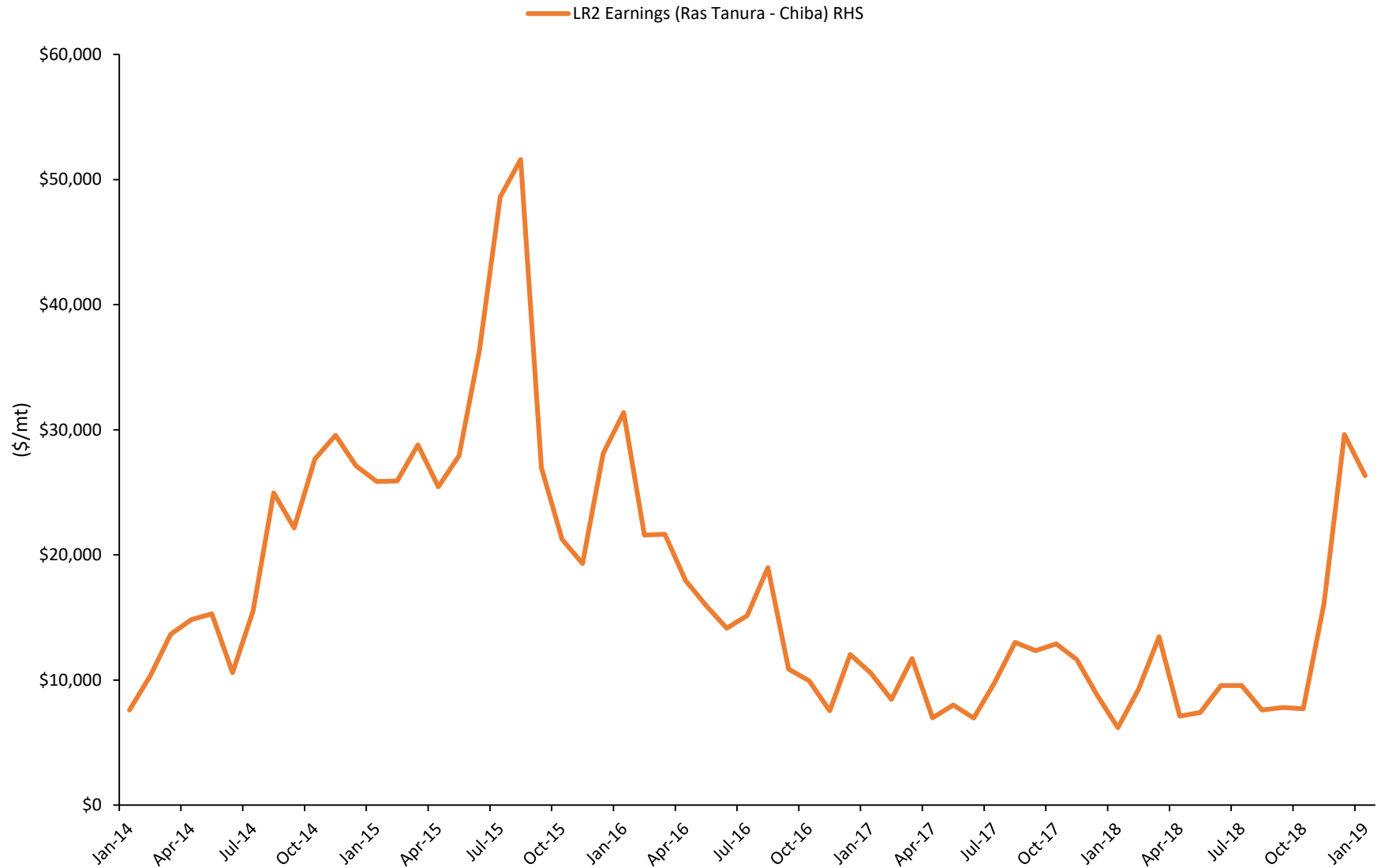
Annual revenue calculated as TCE Rate x 365 days x number of vessels .

1) Clarkson Shipping Intelligence, February 2019

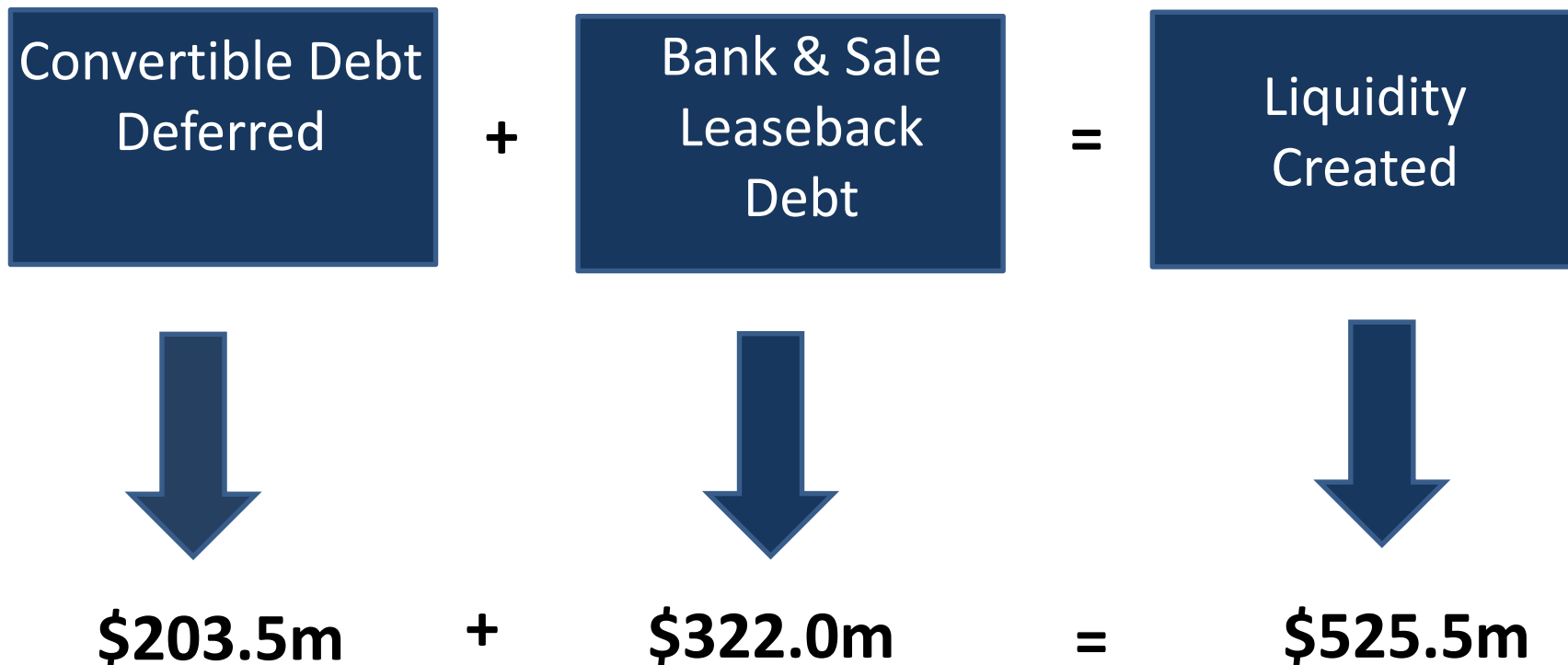
2) HM 15-yr low, average, and high rates are \$10,000/day, \$16,017/day and \$27,250/day, respectively. MR 15-yr low, average and high rates are \$12,000/day, \$17,669/day, \$30,500/day, respectively.

3) LR1 15-yr low, average, and high rates are \$12,500/day, \$20,533/day and \$37,100/day, respectively. LR2 15-yr low, average and high rates are \$13,500/day, \$23,091/day, \$42,545/day, respectively

# Volatility of LR2 Earnings: Middle East to Far East, Jan 2014 to Jan 2019



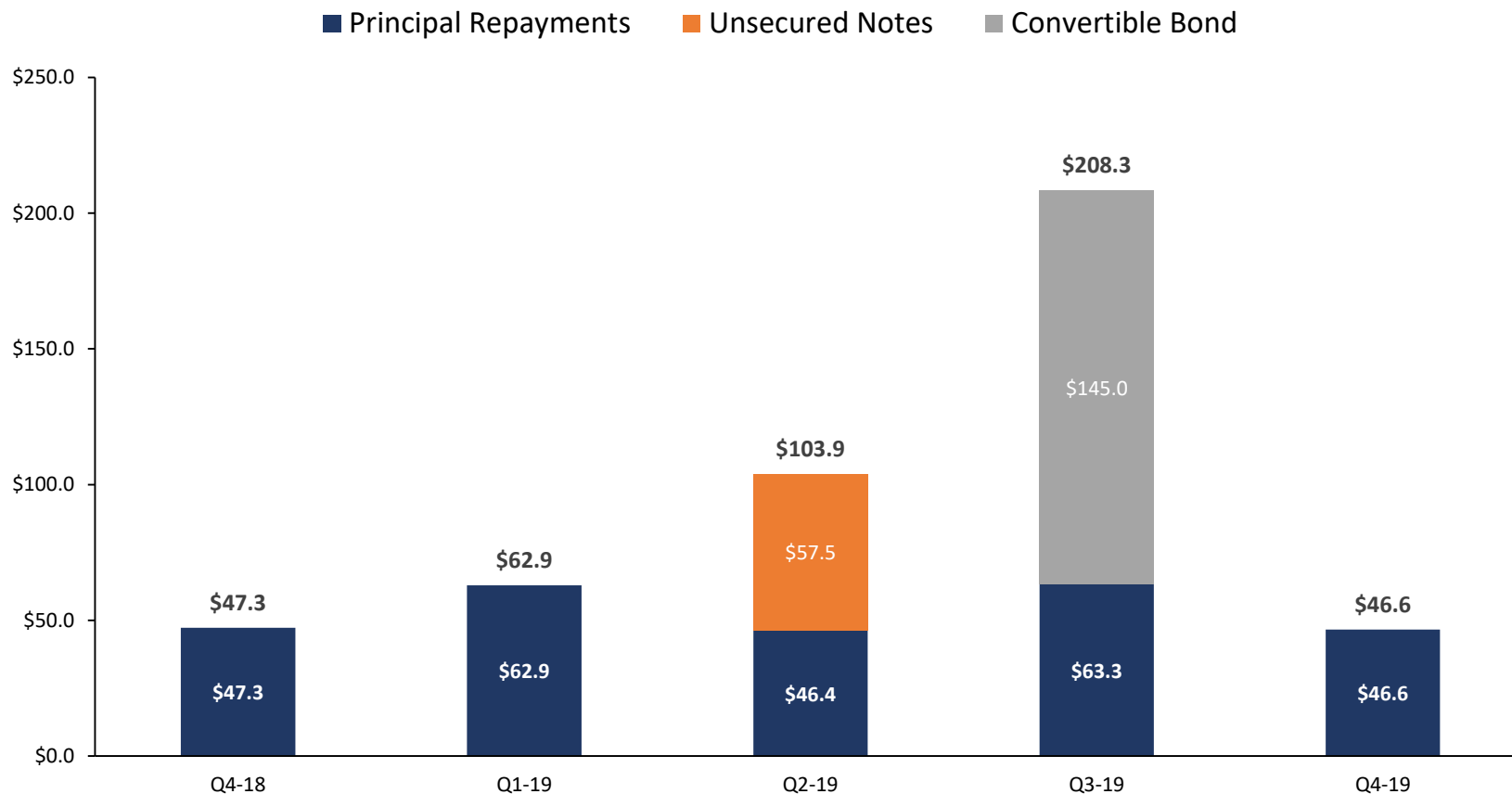
# Liquidity Measures Taken in 2018



Between May and July 2018, we exchanged \$203.5 million of our existing 2.375% convertible notes due 2019 for new 3.0% convertible notes due 2022

Between June and October 2018, we raised \$322.0 million of liquidity from our bank and SLB refinancing initiatives on 41 vessels in total

# Debt Reduction



Through principal repayments and the redemptions of 2019 convertible and unsecured notes, the outstanding debt is being reduced

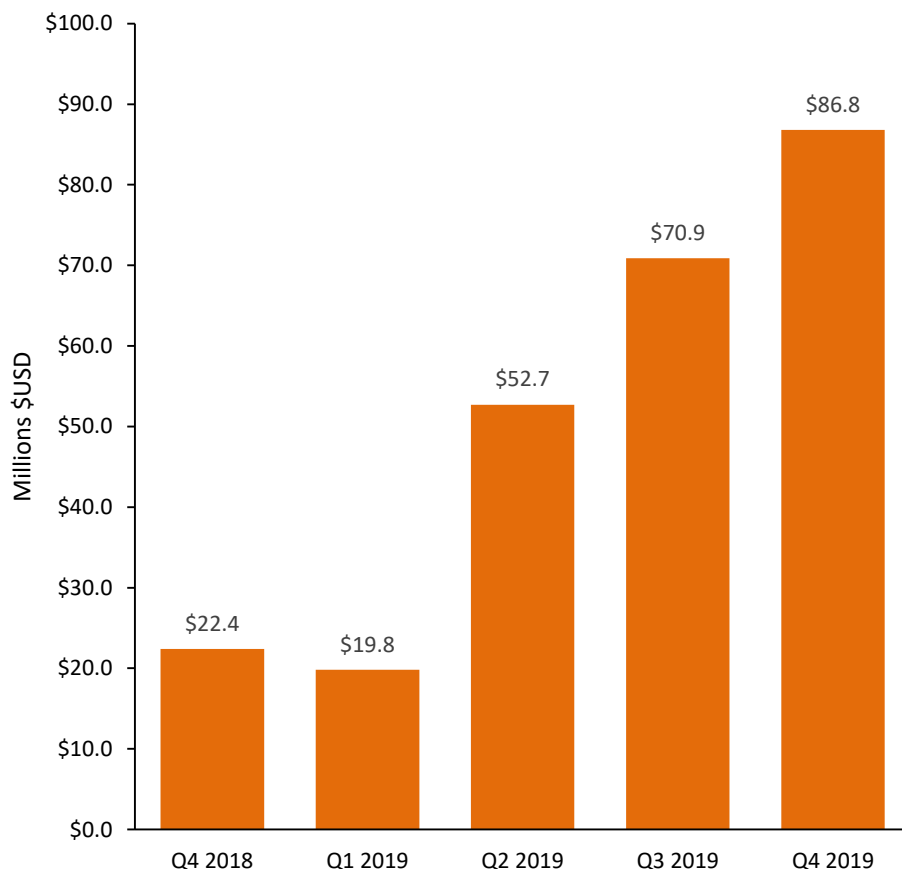


# Positive Evolution of Debt

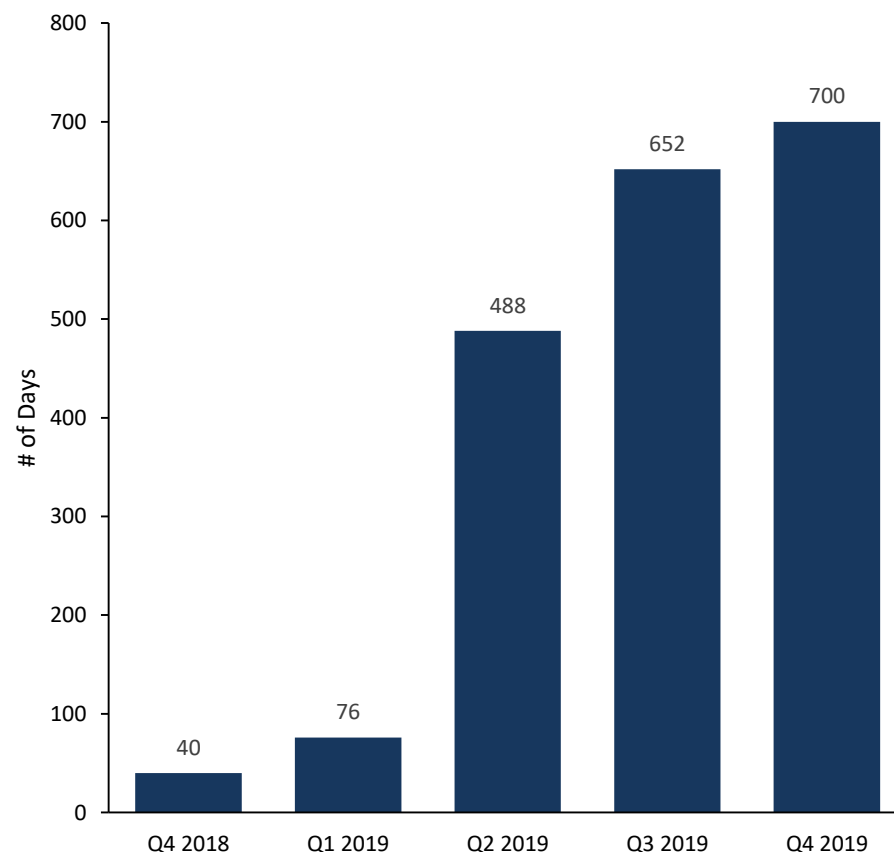
	Balance As of 1-Jan-2018	Drawdowns	Repayments	Balance As Of 30-Oct-2018
<b>Bank Credit Facilities</b>	\$1,660.8	\$195.0	(750.4)	\$1,105.4
<i># of CF</i>	15	3	(9)	9
<b>Finance Leases</b>	718.6	792	(56.3)	1,454.30
<i># of CF</i>	5	6		11
<b>Convertible Notes</b>	348.5	203.5	(203.5)	348.5
<i># of CF</i>	1	1		2
<b>Senior Notes</b>	111.3	-	-	111.3
<i># of CF</i>	2			2
<b>Total</b>	<b>\$2,839.2</b>	<b>\$1,190.5</b>	<b>(1,010.20)</b>	<b>\$3,019.5</b>
<i># of CF</i>	23	10	(9)	24

# Capital Expenditures & Offhire Days Through 2019

## Capital Expenditures By Quarter

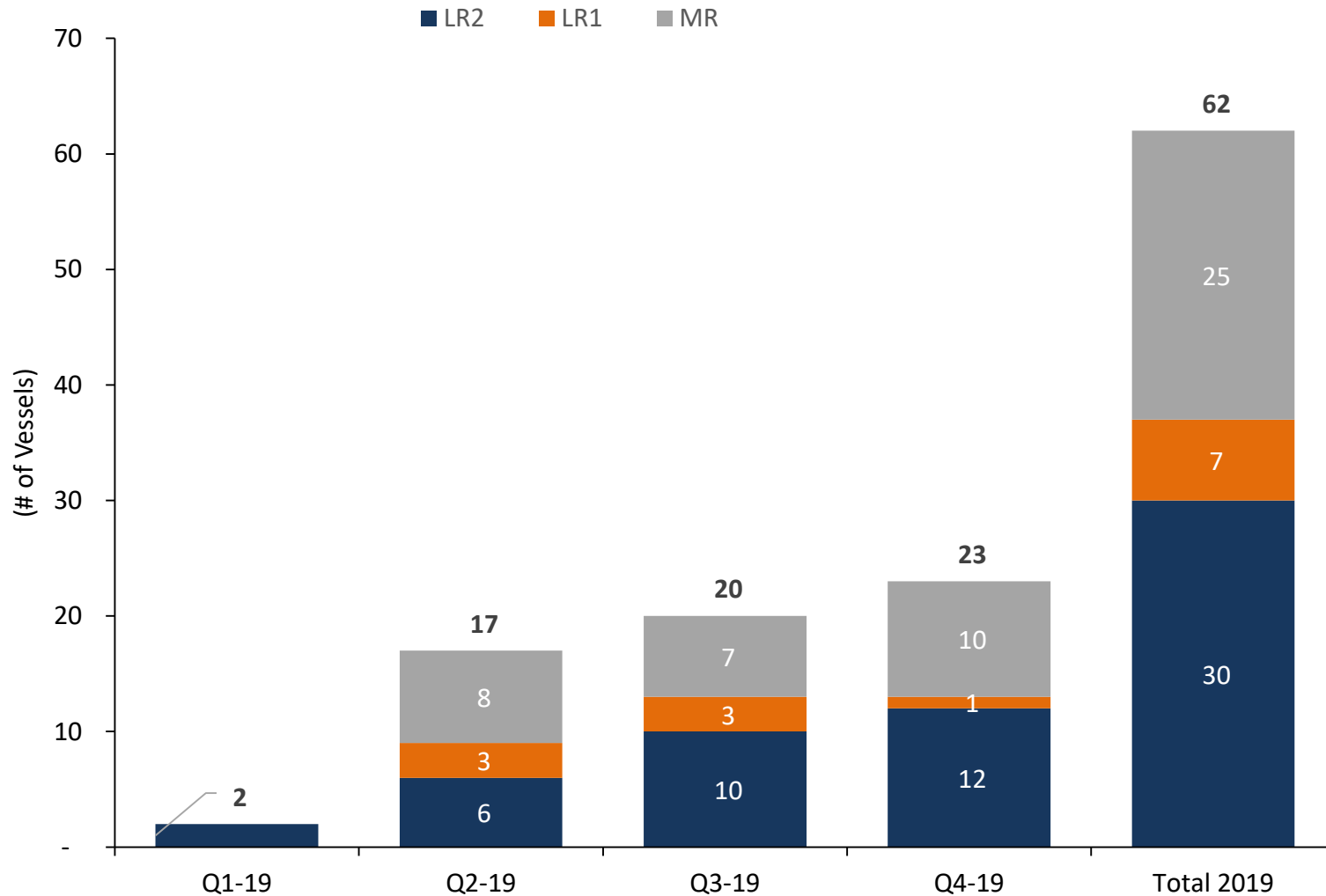


## Offhire Days



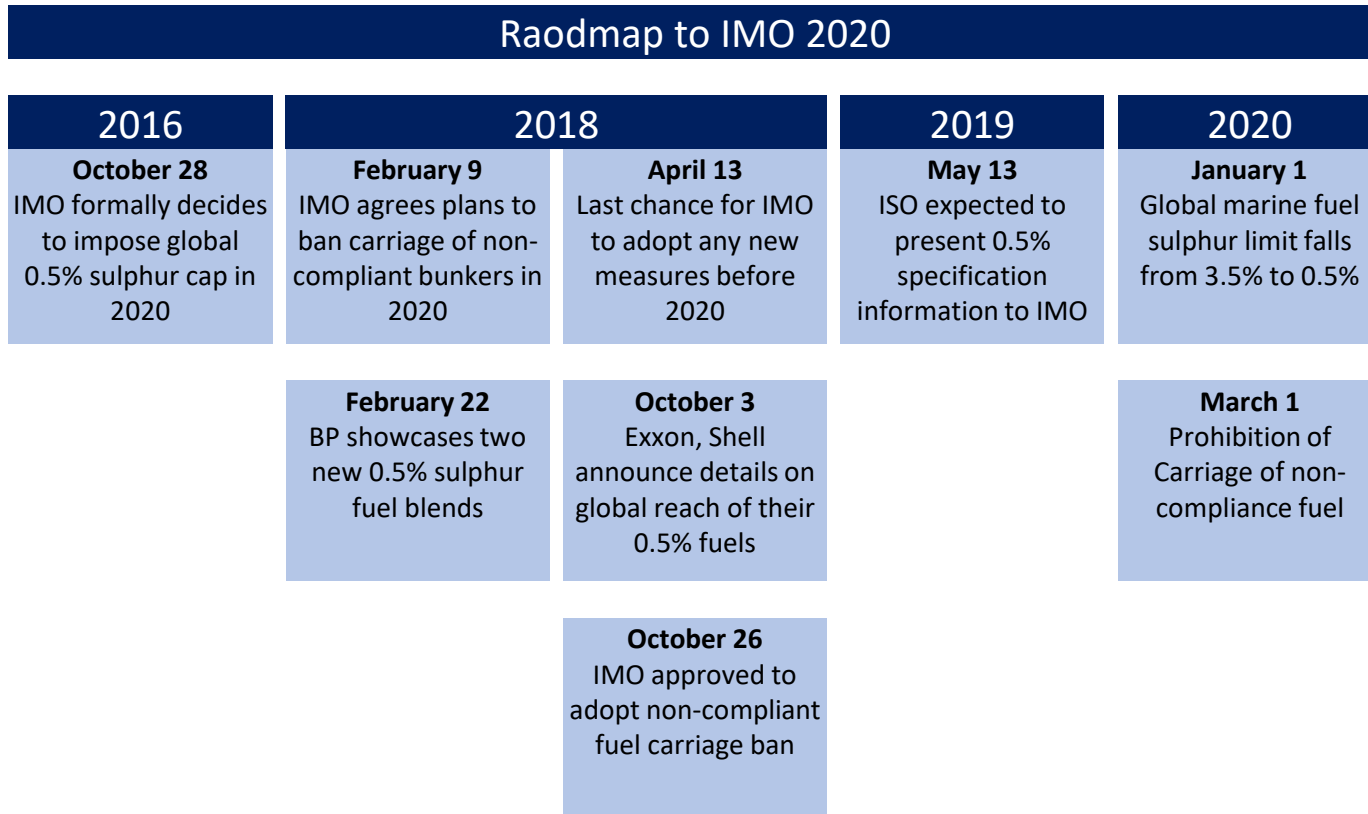
\* Includes estimated cash payments for drydock, ballast water treatment systems and scrubbers. These amounts include installment payments that are due in advance of the scheduled service. These payments may be scheduled to occur in quarters prior to the actual installation.

# Scrubber Installations through 2019



# Scrubbers & IMO Regulations

- The International Maritime Organization (IMO) will require shipowners to reduce sulfur emissions from 3.5% currently to 0.5% in 2020.
- To comply, shipowners will have to decide between:
  - Installing a scrubber to enable the vessel to burn HSFO;
  - Paying the premium to consume compliant fuels with a sulfur content <0.5% (MGO and LSFO Blends)
  - LNG as bunker fuel





- Risk of Regulatory Change & Delay in Implementation
- Understanding Enforcement
- Types of Fuel & Availability
- Forward Curve & Pricing
- Drydock schedule & Incremental Off Hire
- Scrubber Returns

# Announced Penalties for Non Compliance

Country	Max Fine	Other Penalties
Belgium	\$6,600,000	Crew Fine Vessel Detention
Canada	\$19,000	Crew Fine Vessel Detention
Denmark	No Maximum	Crew Fine Vessel Detention
Finland	\$880,000	Vessel Detention
France	\$220,000	Crew Fine Vessel Detention
Germany	\$60,000	Vessel Detention
Latvia	\$3,200	
Netherlands	\$275,000	Crew Fine Vessel Detention
Norway	\$90,000	Crew Imprisonment
Poland	\$715,000	Vessel Detention
Sweden	\$1,200,000	Vessel Detention
UK	\$4,350,000	Crew Fine Vessel Detention
Hong Kong	\$100,000	Six Months Imprisonment for Officers/Crew

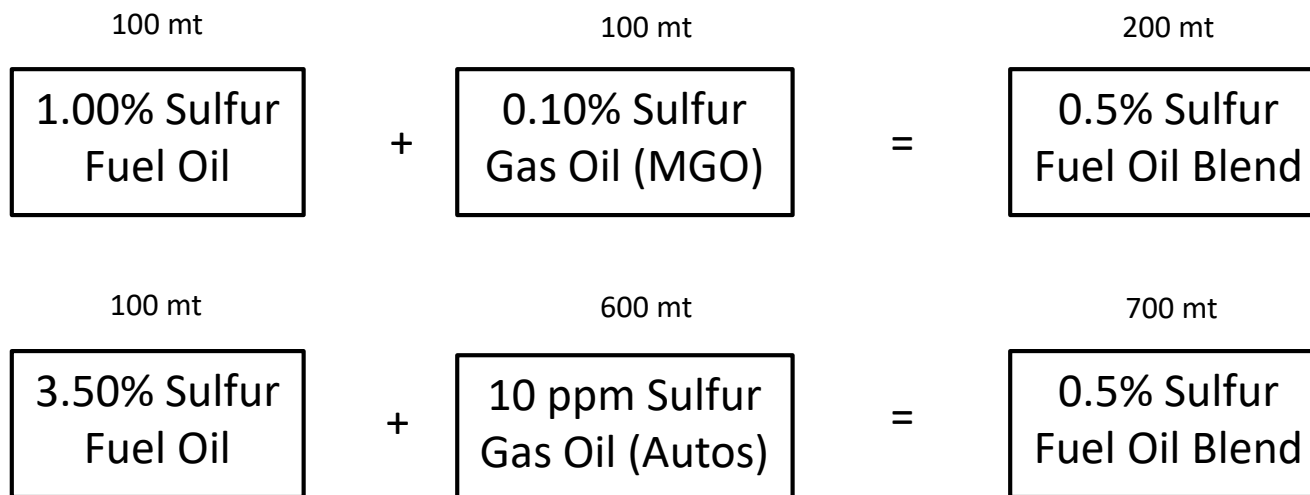
- Penalties vary between Port State Control in Europe
- US policy implementation to ensure that the penalty is greater than the benefit of non compliance

# Types of Fuel & Availability

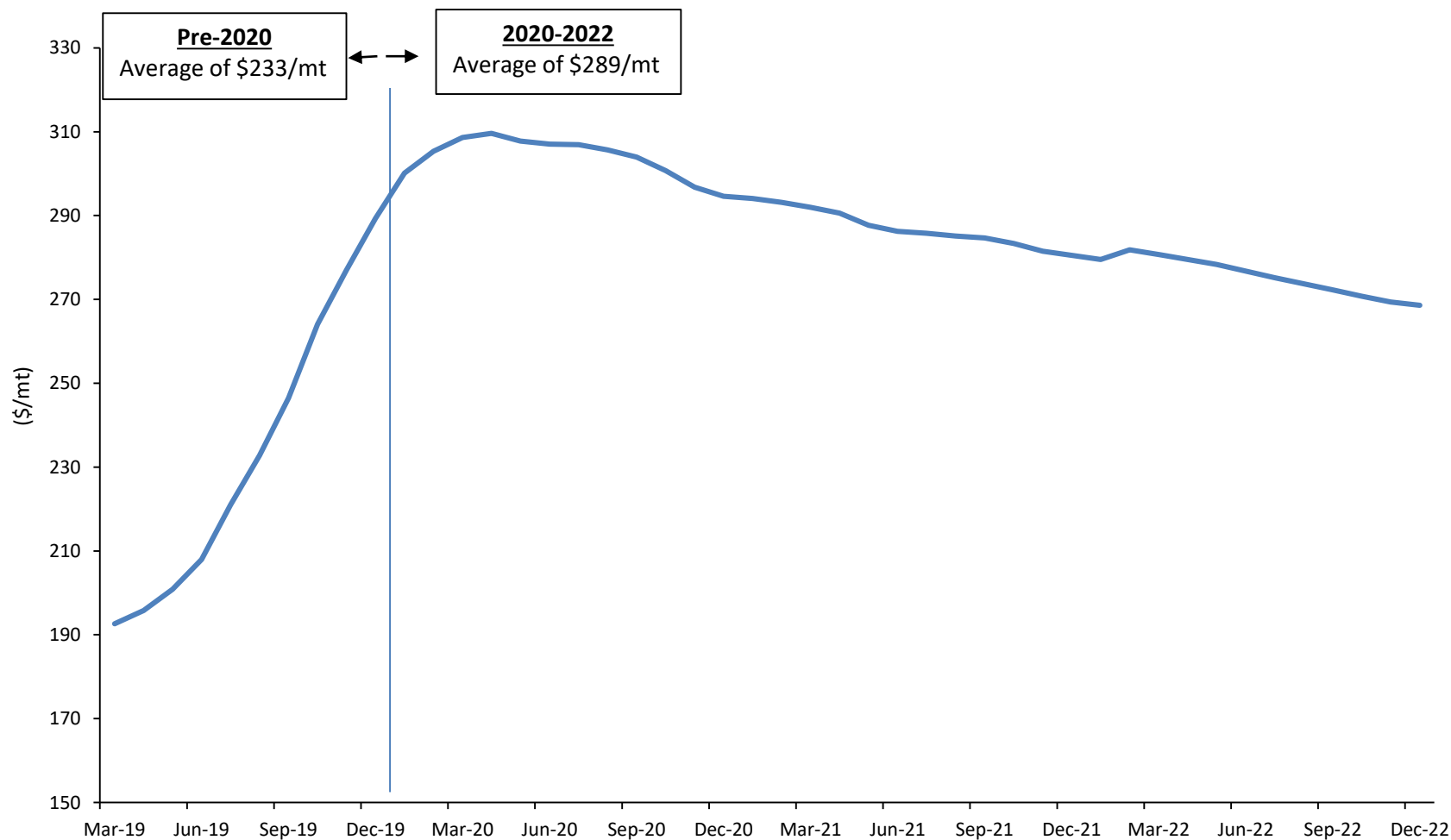
Type of Fuel	Sulfur Content	Composition	Used & Available Today?	In 2020?
<b>HSFO</b>	3.5%	Straight run from fuel oil from the refinery	Yes, the primary fuel used by the shipping industry in non ECA areas	Yes, but only by vessels with scrubbers installed
<b>Marine Gasoil/Diesel</b>	0.1%	Straight run diesel from the refinery, similar to the diesel used in cars and trucks although they have 0.001% sulfur content	Yes, the fuel used by the shipping industry in ECA areas	Yes in ECA areas and potentially in non-ECA areas if LSFO blends are not available
<b>LSFO Blends</b>	0.5%	Blends HSFO with a low Sulphur blend stock (marine gas oil/marine diesel oil, light condensate, or light sweet crude oil )	0.5% blend is currently produced and tested by refineries	The refining industry says yes, and they are currently working on different types of LSFO blends to meet the 0.5% sulfur requirement

- 0.50% fuel oil grade will require the use of increased amounts of distillates (gas oil) compared to 3.50% fuel oil
- There is not currently a globally accepted refining method for producing 0.5% sulfur fuel, which may lead to complications.
- Blends may contain straight run and/or cracked distillate/residue material, increasing the potential for stability and compatibility issues
- Knowing the source of the bunkers will be important in having confidence in their performance

## Creating LSFO with Fuel Oil & Gas Oil

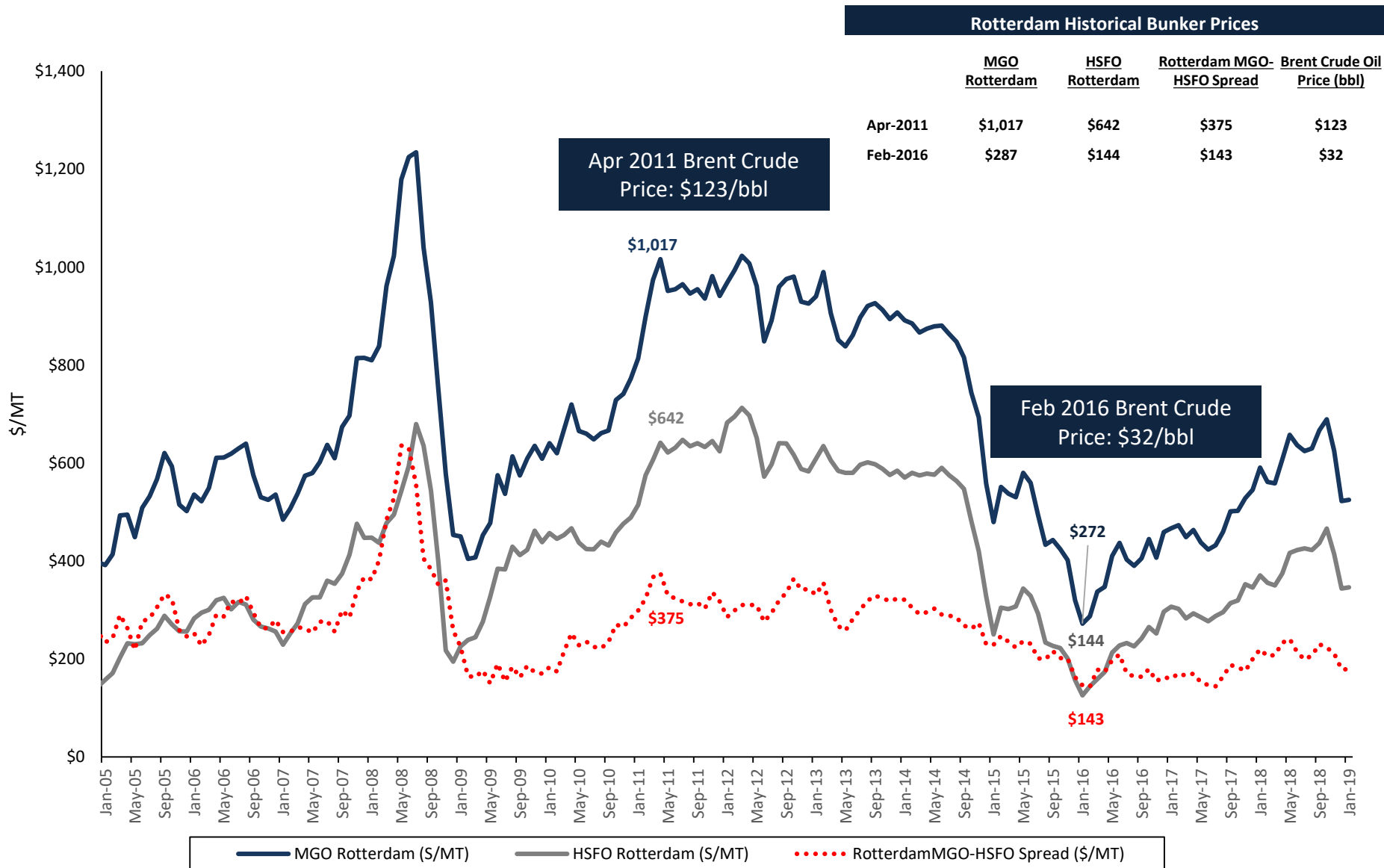


## Spread Between Rotterdam 3.5% HSFO vs 0.1% Low Sulfur Gasoil





# Historical MGO & HSFO Spread



## How will Scorpio comply with IMO 2020?

- The Company entered into agreements to retrofit 75 of its MRs, LR1s and LR2s with Exhaust Gas Cleaning Systems (“Scrubbers”)
- Has agreed letters of intent on substantially all of its remaining owned and financed lease LR2, LR1 and MR vessels
- For the handymax vessels which will not have scrubbers, compliant fuels (MGO & LSFO) will be used
- The Scrubbers and their installation are expected to cost between \$1.5 and \$2.5 million per vessel, and the Company anticipates that between 60-70% of these costs will be financed.

## Why?

- Scrubber Economics - favor larger vessels that consume more fuel and have trading patterns consisting of more time at sea
- Risk Management - scrubbers provide protection against rising fuel prices and diversification to navigate fuel availability in the short to intermediate period
- Demand Story –while early adopters of scrubbers are expected to benefit, the demand story is more compelling and relevant for product tankers

# Scrubber Fuel Savings

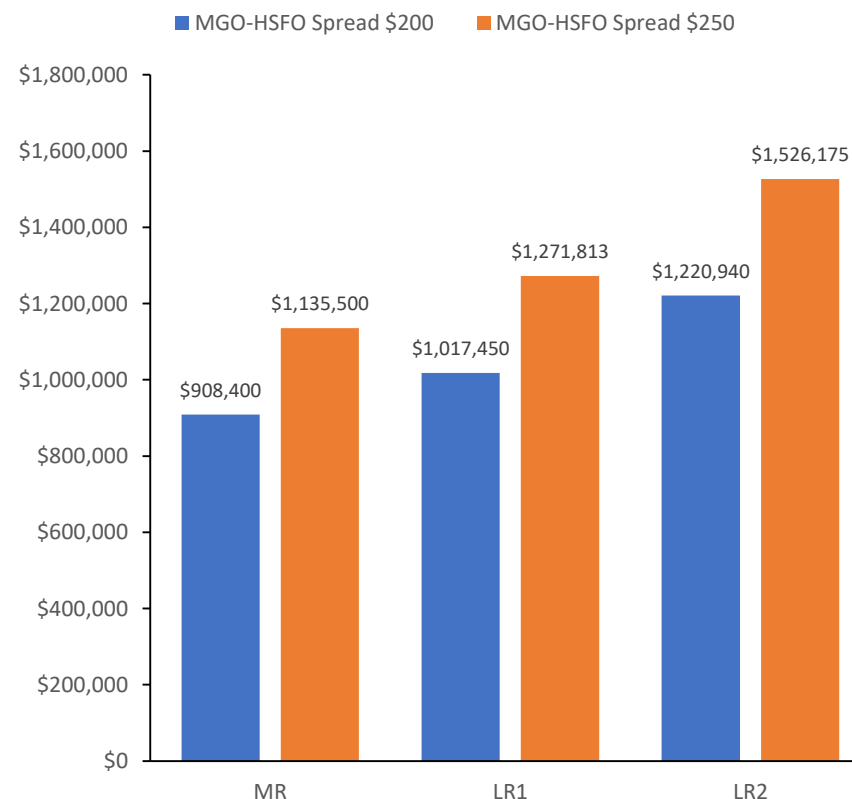
Consumption figures below assume that:

- Scrubbers do not operate during any port activities
- Each voyage has a load and discharge port in an ECA, i.e. scrubber does not operate in ECA waters

## Annual ECO Vessel Fuel Consumption (MT/year) <sup>(1)</sup>

	<u>MR</u>	<u>LR1</u>	<u>LR2</u>
<i>Sailing (Ballast &amp; Laden)</i>			
Non ECA	4,641	5,072	6,019
<i>Waiting/Idle</i>			
Non ECA	153	272	347
<i>Less</i>			
Additional Consumption for Scrubber	-252	-257	-261
<b>Total Non ECA Consumption (MT)</b>	<b>4542</b>	<b>5087</b>	<b>6105</b>
<b>MGO-HSFO Spread (\$/MT)</b>	<b>\$200</b>	<b>\$200</b>	<b>\$200</b>
<b>Annual Scrubber Savings</b>	<b><u>\$908,400</u></b>	<b><u>\$1,017,450</u></b>	<b><u>\$1,220,940</u></b>

## Scrubber Fuel Savings

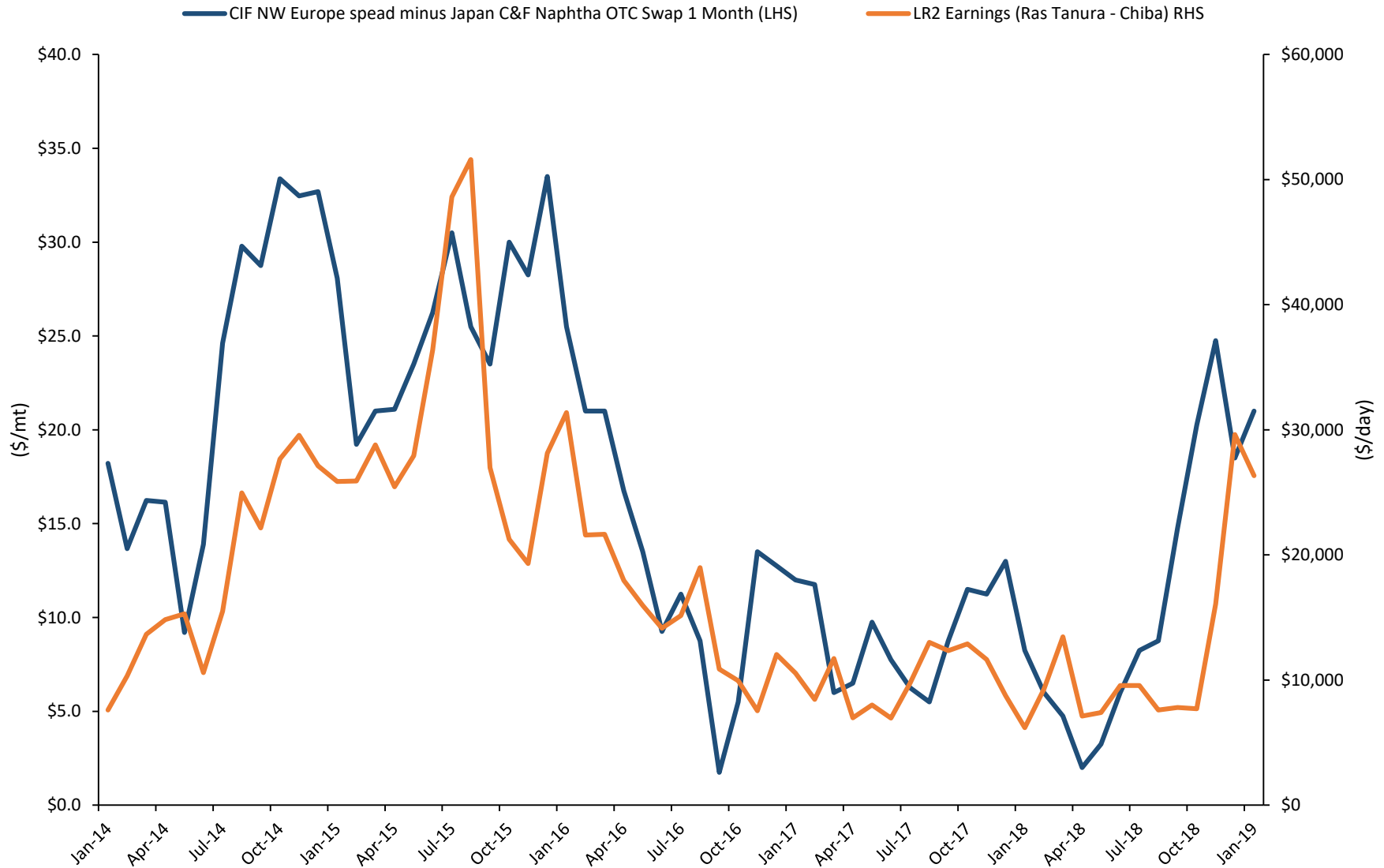


1) Based on average Scorpio ECO vessel consumption in 2018

# Short Term Product Tanker Fundamentals

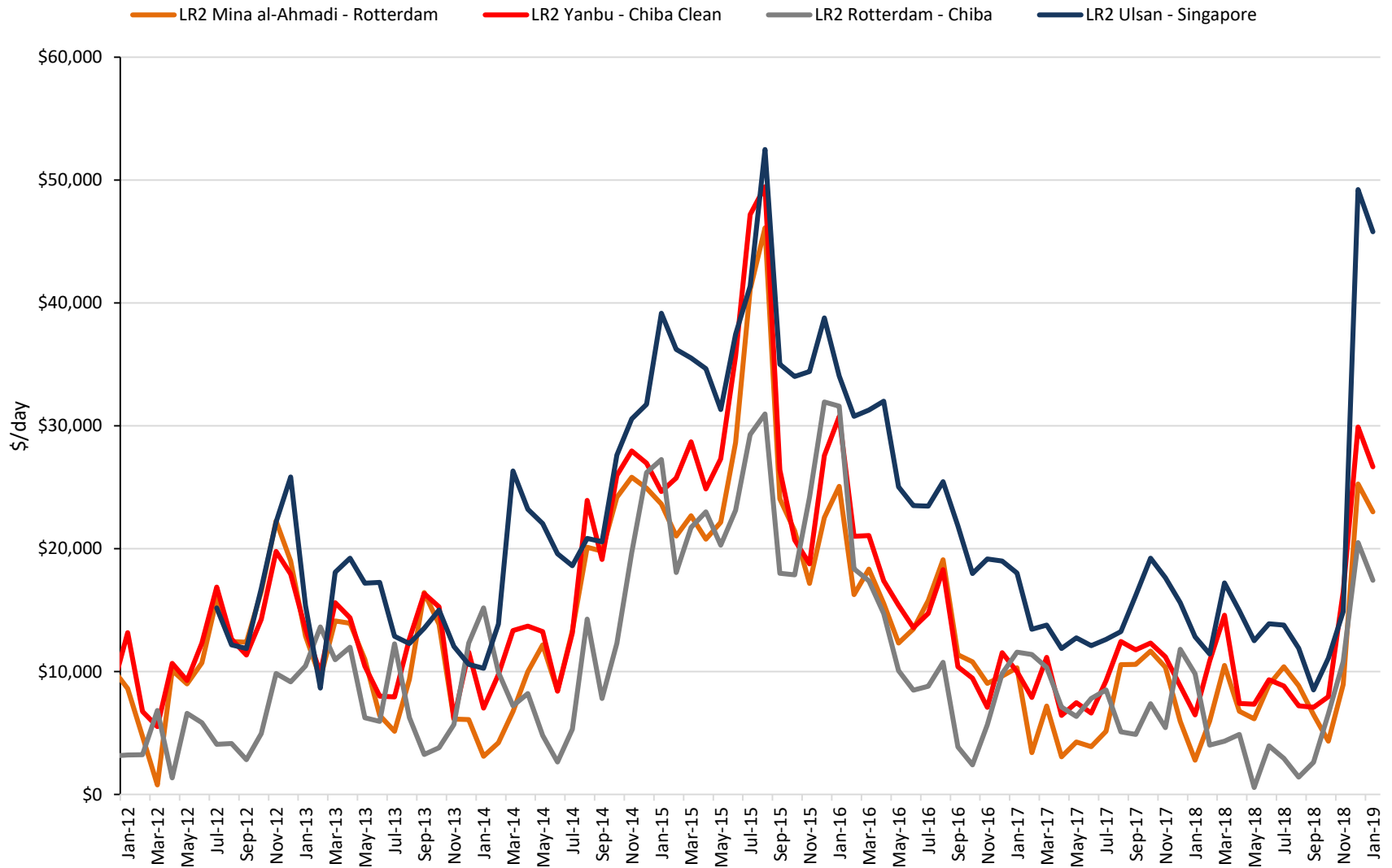
- Arbitrage trades have opened, particularly the West to East Naphtha trade
- Significant rate improvements in Q4-18 and January 2019
- Global diesel inventories have continued to decline
- Slight reduction in rates (as expected) due to the start of refinery maintenance season in the West while the East has remained strong

# Naphtha Arbitrage vs LR2 Earnings



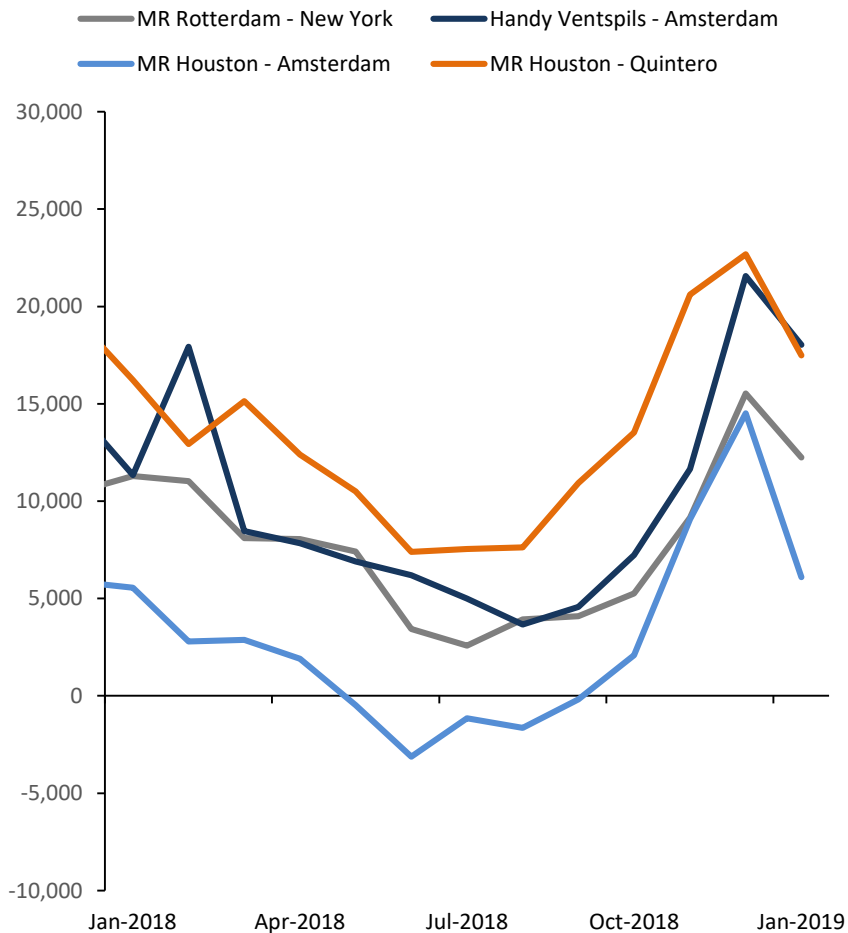
Source: Bloomberg & Clarksons Research Services February 2019

# LR2 Earnings

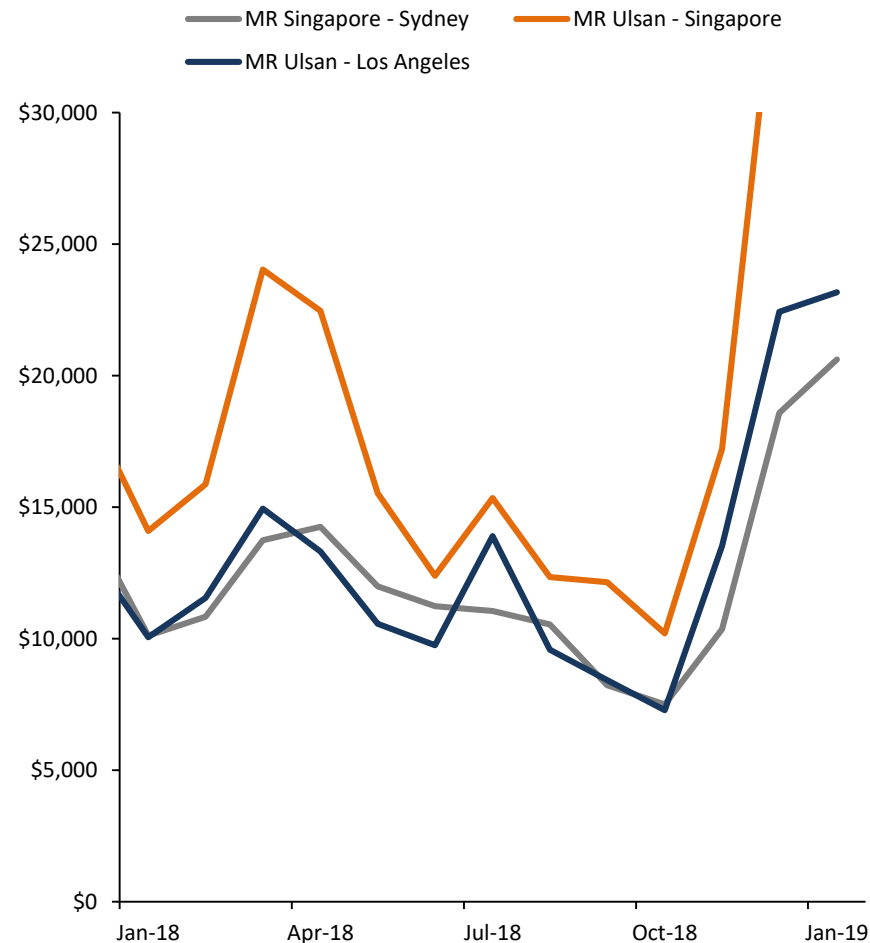


Source: Clarksons Research Services, February 2019

## West TCE Earnings (\$/day)



## East TCE Earnings (\$/day)

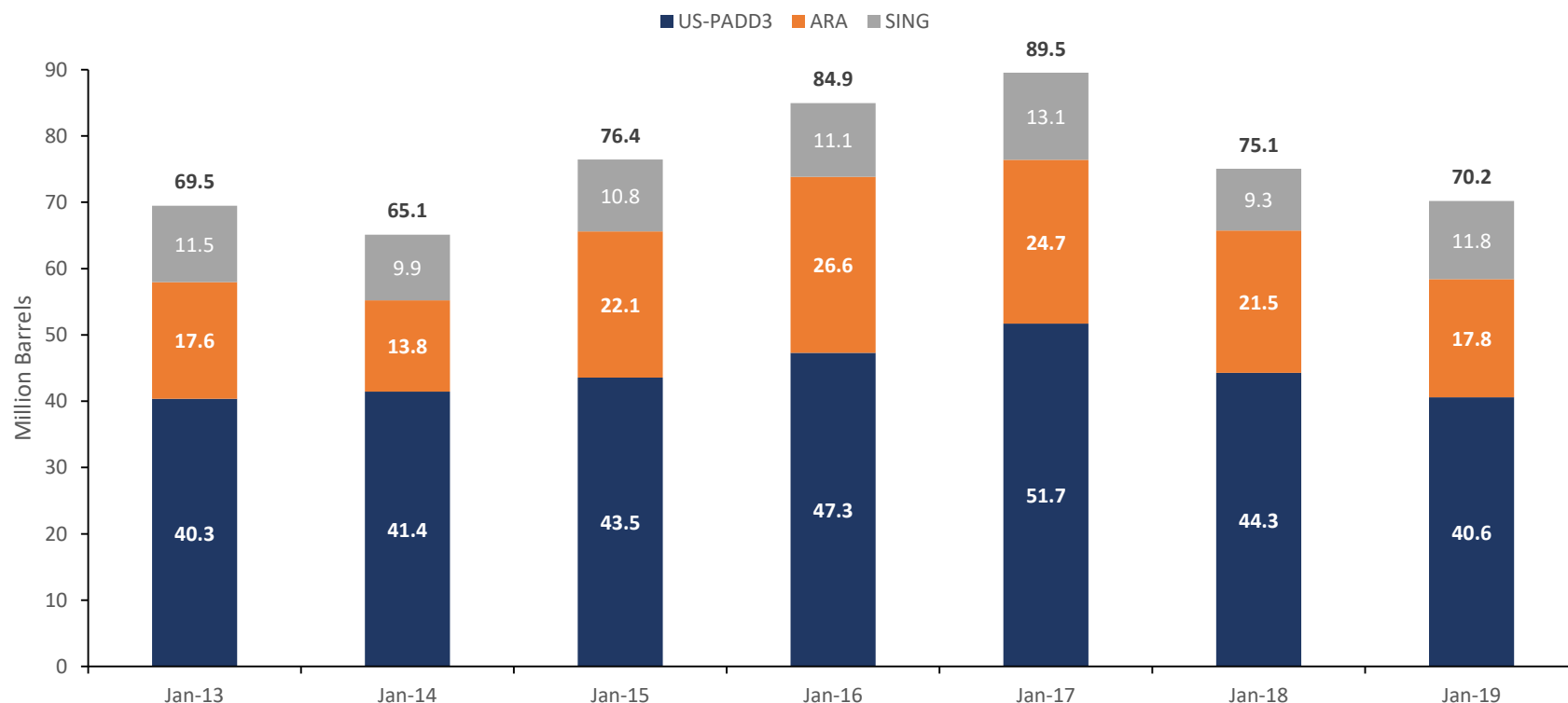




# Global Diesel Inventories Below Five Year Average

- Diesel inventories have decreased approximately 19.3 million barrels since Jan 2017 <sup>(1)</sup>
- Consumption has been "subsidized" by inventory draws; as inventories have fallen below 5-year average levels, expect further consumption to translate to increased imports

## US Gulf, ARA, & Singapore Diesel Inventories

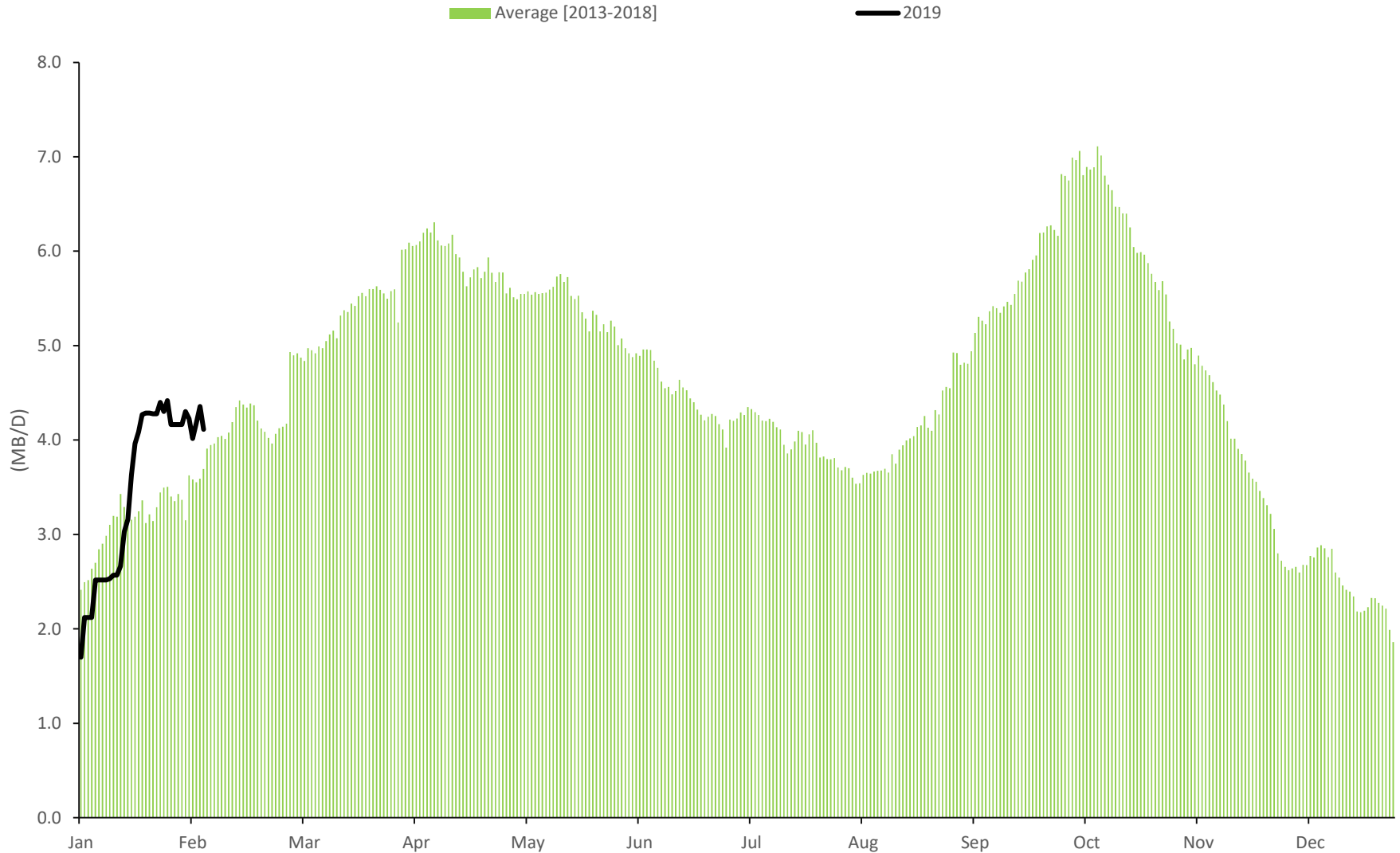


Source: Bloomberg, February 2019

Inventories include USG, "ARA" (Amsterdam, Rotterdam, Antwerp) and Singapore.

1) Jan 2017 inventory of 89.5 million barrels and January 2019 inventory of 70.2 million barrels

# Refinery Maintenance Schedule (Capacity Offline)

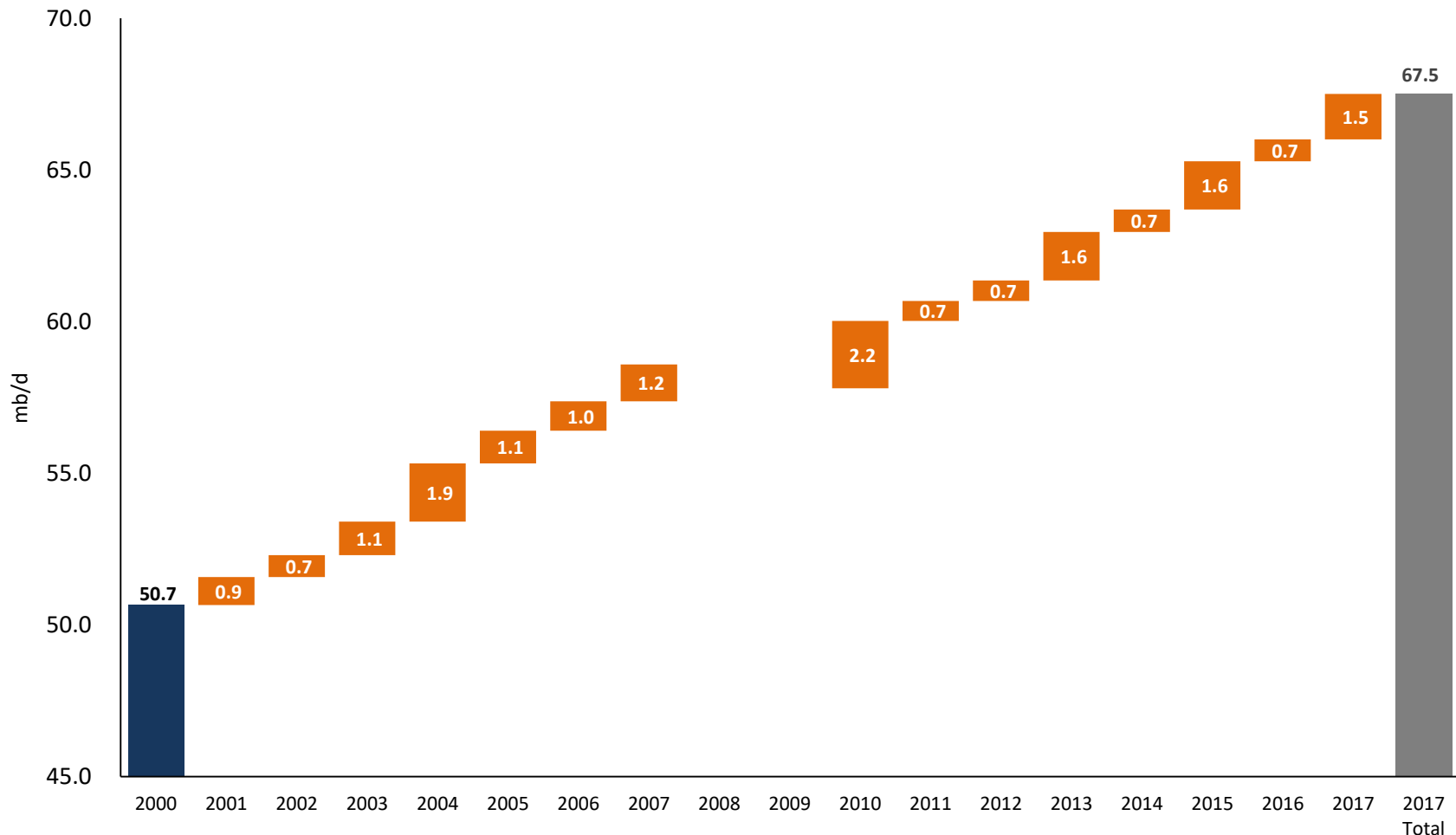


# Long Term Product Tanker Fundamentals

- Refined Product Trade Development
  - Demand for Refined Products
  - Seaborne Refined Product Exports
  - Crude Production, Consumption & Refining Capacity
  - Ton Mile Demand
- Potential Impact of IMO 2020 on Product Tanker Fundamentals
  - What's the bunker consumption today?
  - Where will additional compliant fuel come from?
  - Potential short & longer term impacts
- Supply & Demand

# Consumption of Refined Products Has Continued to Grow

## Light & Middle Distillate Consumption (mb/d)



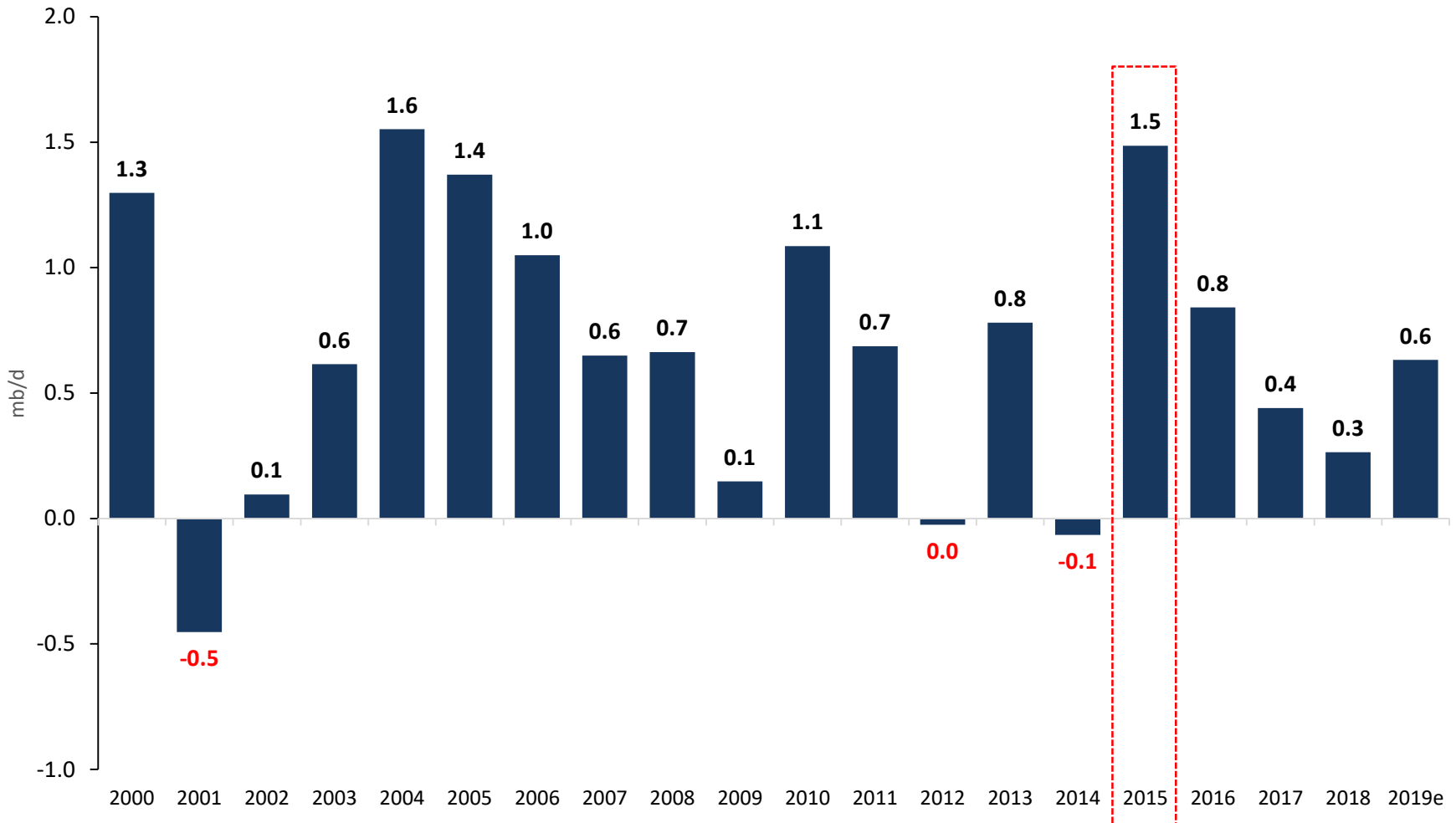
Sources: BP Statistical Review

Light distillates' consists of aviation and motor gasolines and light distillate feedstock (LDF)

Middle distillates' consists of jet and heating kerosenes, and gas/diesel oils (including marine bunkers)

# Seaborne Refined Product Exports

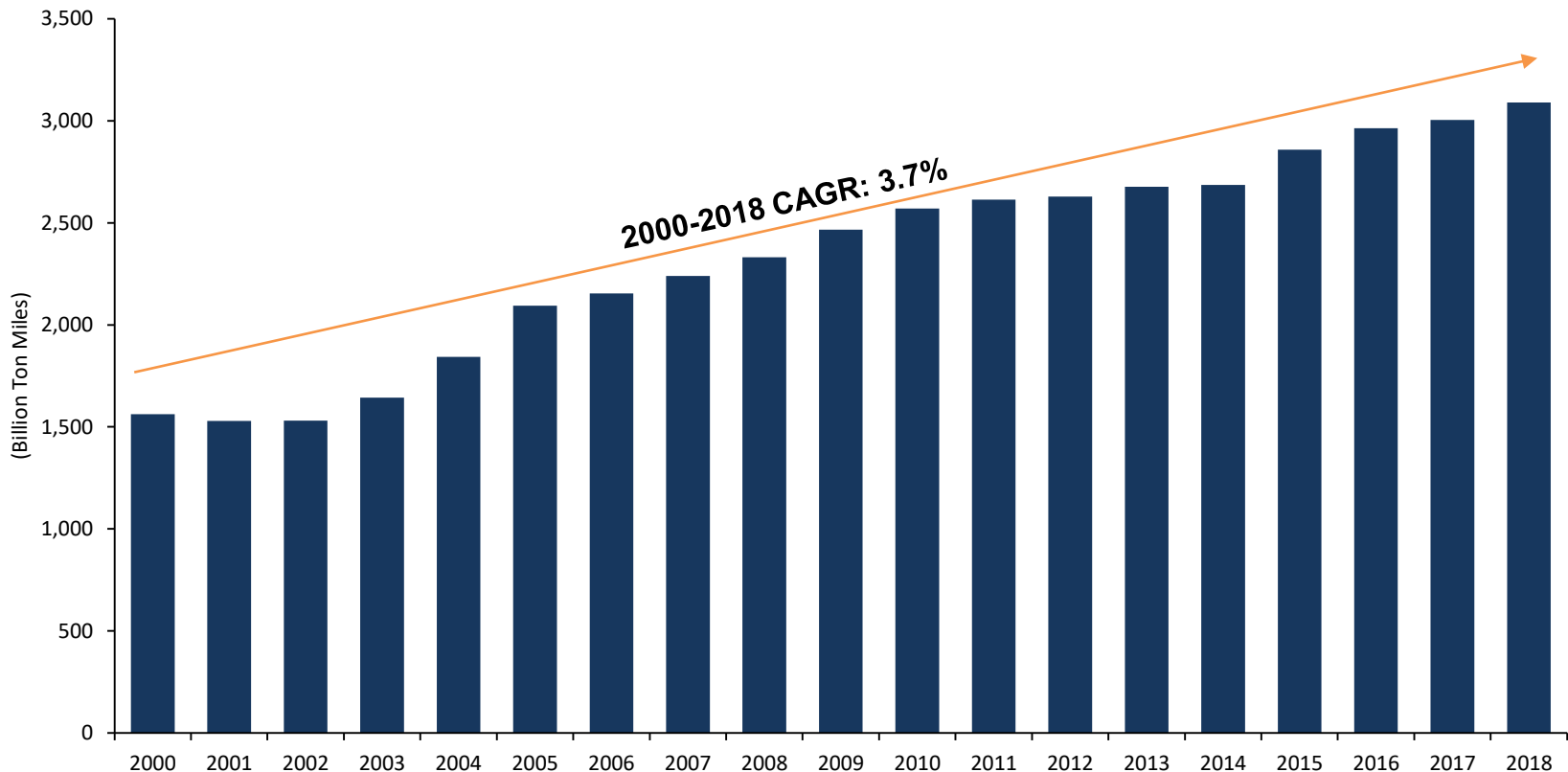
## Incremental (YoY) Increases in Seaborne Refined Product Exports



# Ton Mile Demand Continues to Grow

- Ton miles, the quantity of cargo multiplied by the distance it travels, has increased at a CAGR of 3.7% since 2000

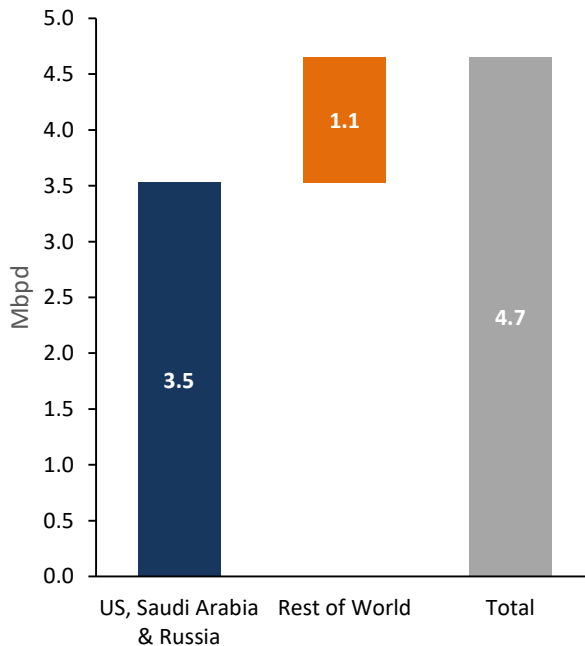
Seaborne Product Ton Miles



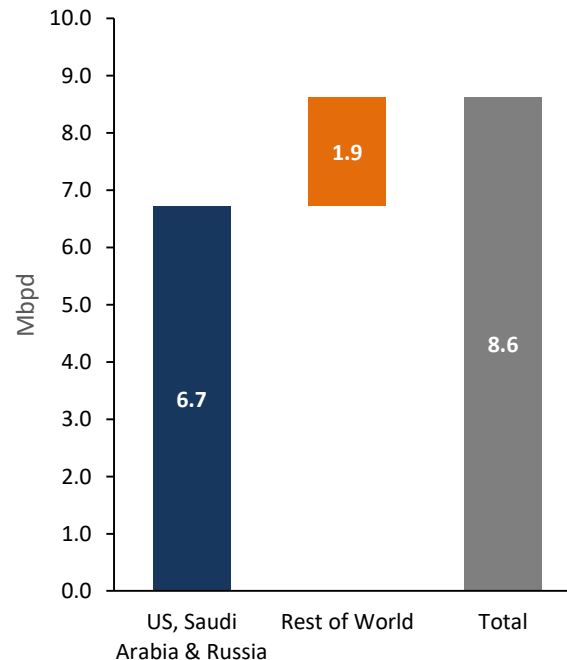
# Refining Capacity Moving Closer to the Well Head

- From **2011 to 2017**, the world's three largest crude producers (United States, Saudi Arabia and Russia) have accounted for:
  - 75.8% of the incremental global refining capacity
  - 78.0% of the incremental global crude oil production
  - Only 20.5% of the additional global crude consumption

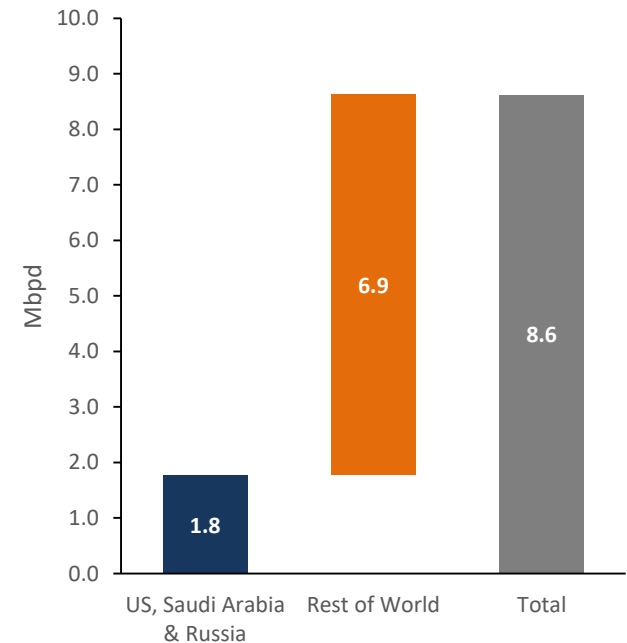
### Incremental Refining Capacity



### Incremental Crude Production



### Incremental Crude Consumption



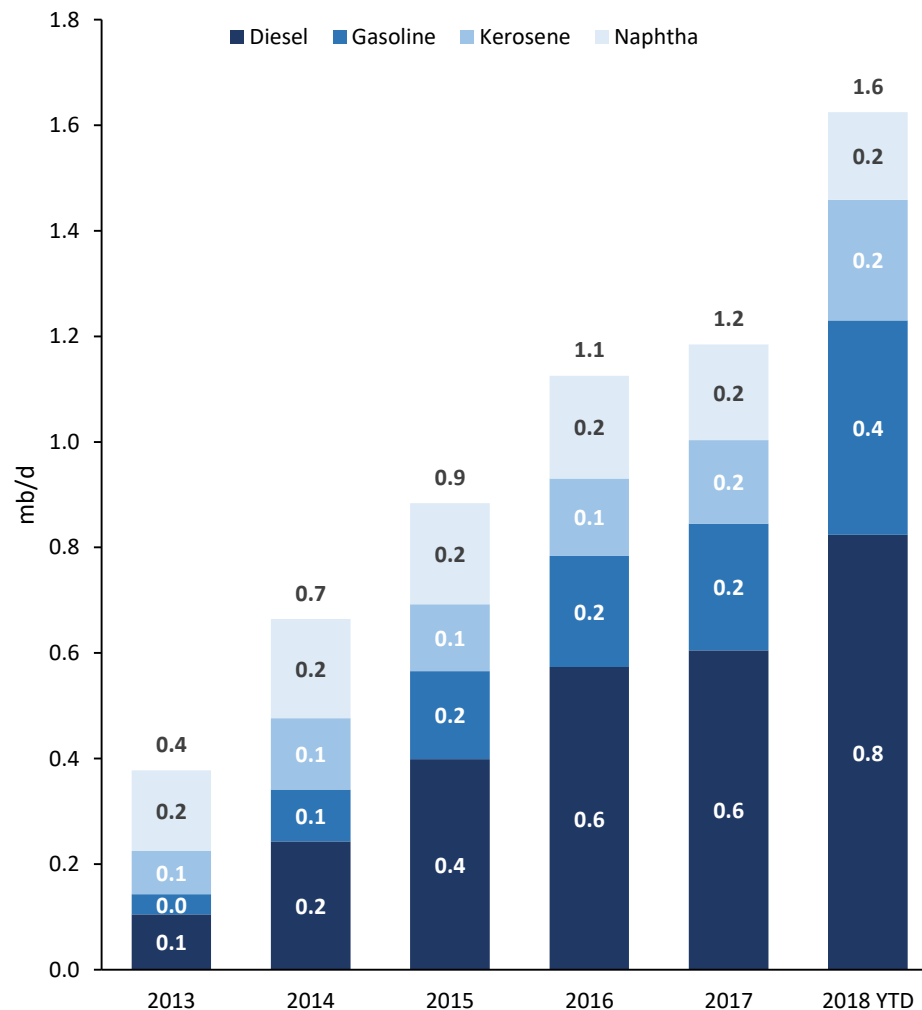


# Saudi Arabia Refinery Capacity Expansion

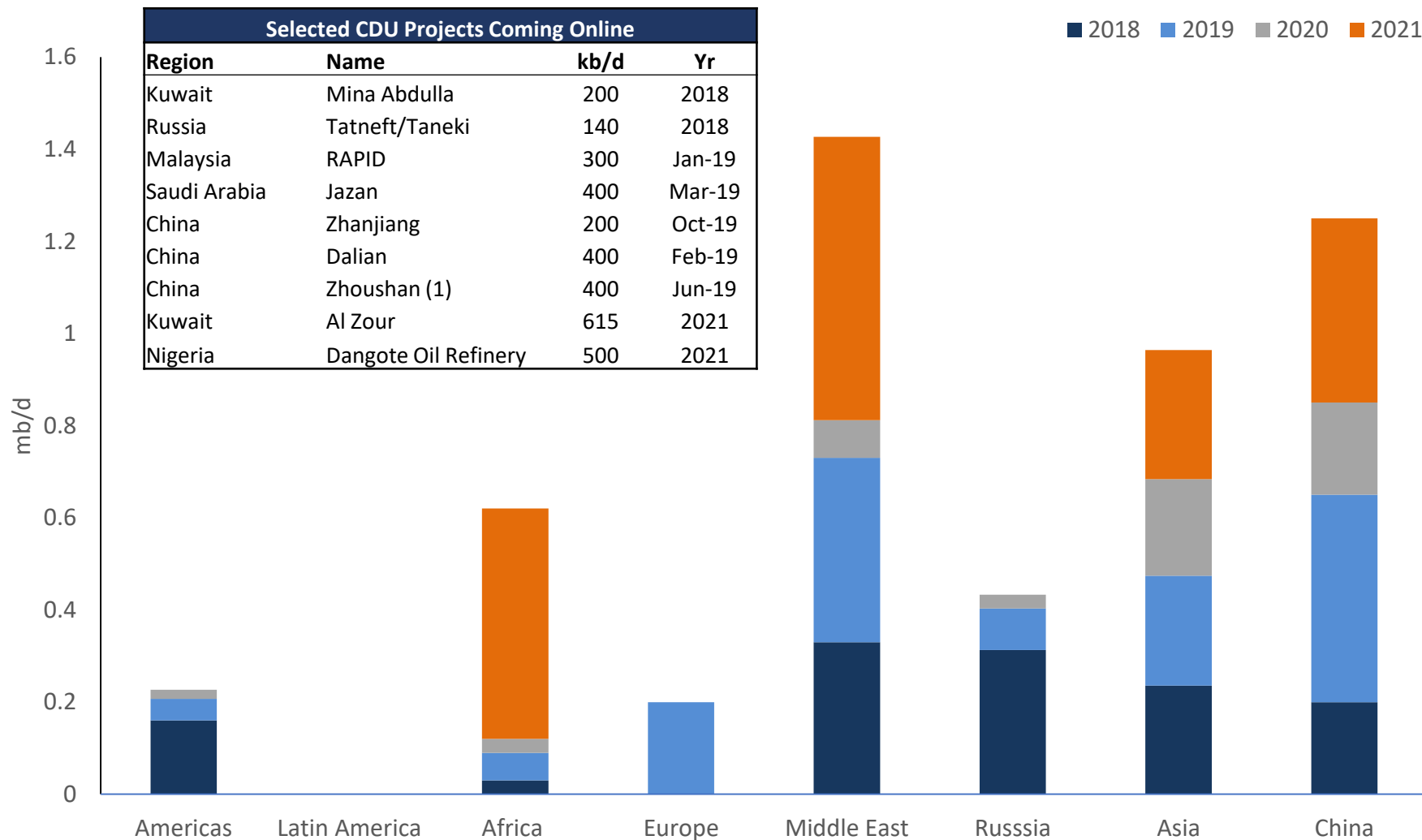
## Saudi Aramco Domestic Refining Capacity

Operational	Refinery	Capacity (kb/d)
1967	Jiddah	77
1979	Yanbu	243
1981	Riyadh	126
1983	SAMREF – Yanbu	400
1986	SASREF - Jubail	305
1986	Ras Tanura	550
1990	Petro Rabigh	400
2014	YASREF - Yanbu	400
2014	SATORP - Jubail	400
<b>Current Domestic Capacity</b>		<b>2,901</b>
Q1-2019	Jazan	400
<b>Total Domestic Capacity</b>		<b>3,301</b>

## Saudi Refined Product Exports<sup>(1)</sup>



# Refinery Capacity Additions



## Demand

- Increased consumption of compliant fuels MGO and LSFO
- Increased products trade volumes and flows
- Changes in bunker sales volumes at various locations
- Impact on crude oil trade volumes and flows
- Possible floating storage

## Supply

- Short-term impact of vessels being removed from market for retrofitting
- Possible speed restraint for non-scrubber fitted vessels
- Possible removal of older tonnage coming up for surveys due to BWTS + prospect of high fuel costs

# Potential Changes in Fuel Oil, Gasoil/Diesel Flows

## Gasoil/Diesel:

Areas that may increase exports:

- Russia
- China
- Middle East
- United States
- South Korea

Areas that may increase imports:

- Europe
- Singapore
- Latin America
- Africa
- Australia

## Fuel Oil:

Areas that may decrease exports:

- Russia
- Europe
- Middle East
- United States

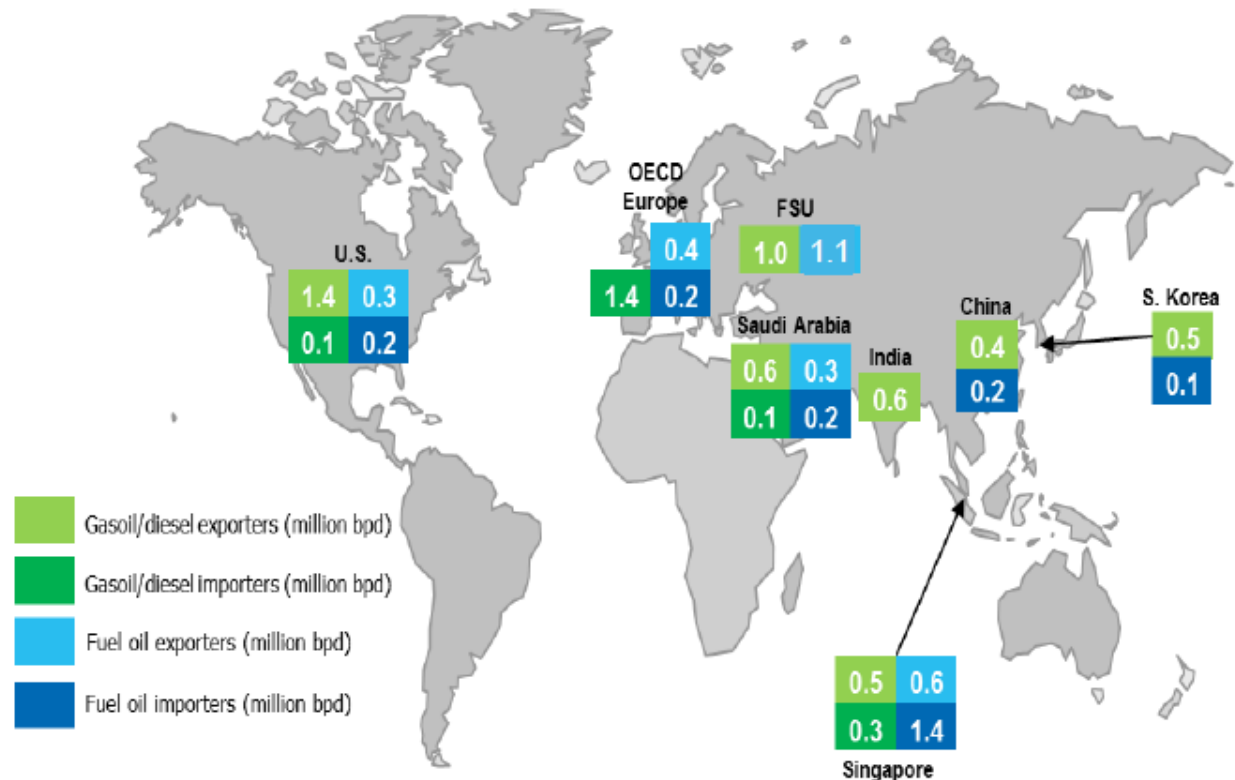
Areas that may decrease imports:

- Singapore
- Europe
- China
- Panama

Areas that may increase imports

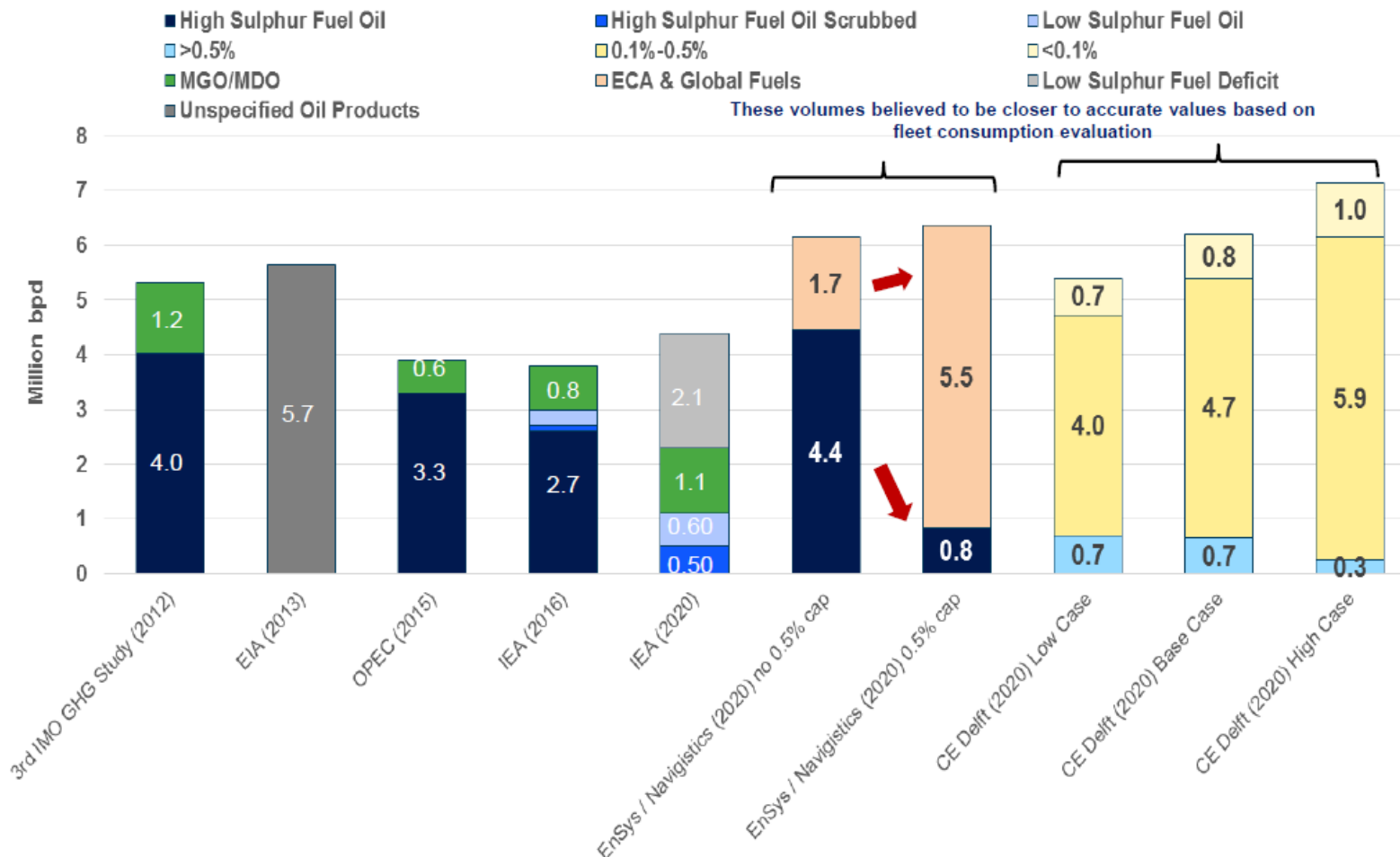
- Middle East (power generation)

## Gasoil/Diesel and Fuel Oil Imports/Exports (2017)



# What is the Current Marine Fuel Consumption?

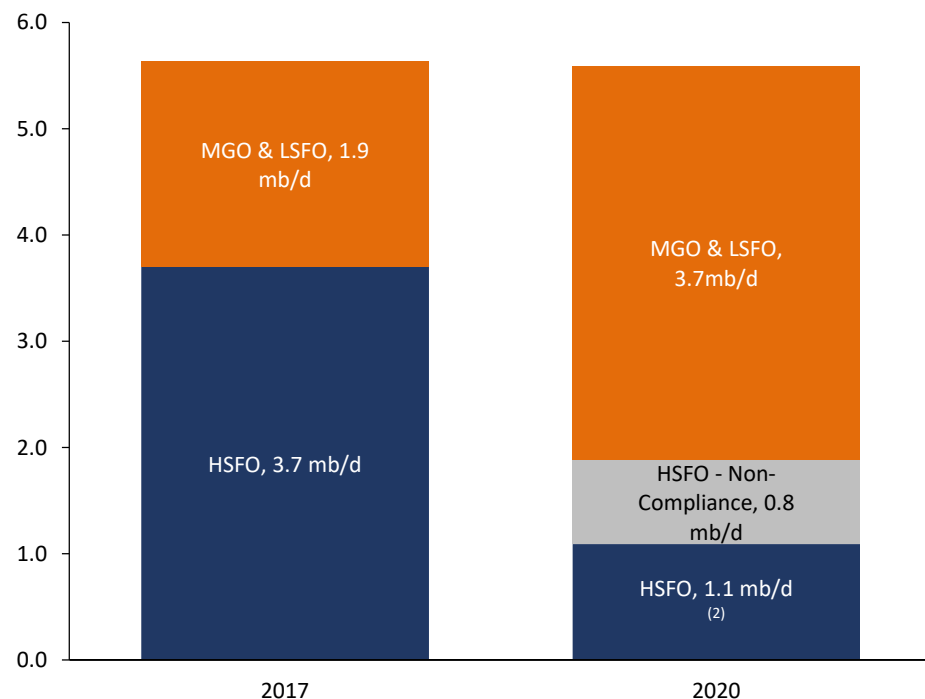
## Different Estimates of Marine Fuel Consumption



## Consumption of MGO and LSFO is be expected to increase

- Global marine fuel consumption was estimated to be 5.6 mb/d (of which 3.7 mb/d was HSFO, 1.9 mb/d was MGO/LSFO) in 2017 <sup>(1)</sup>
- Assuming total fuel consumption remains the same in 2020 at 5.6 mb/d, a 1.8 mb/d increase in MGO & LSFO would increase refined product exports by 7.5% today

Bunker Fuel Shifts Towards “MGO & LSFO” <sup>(1)</sup>



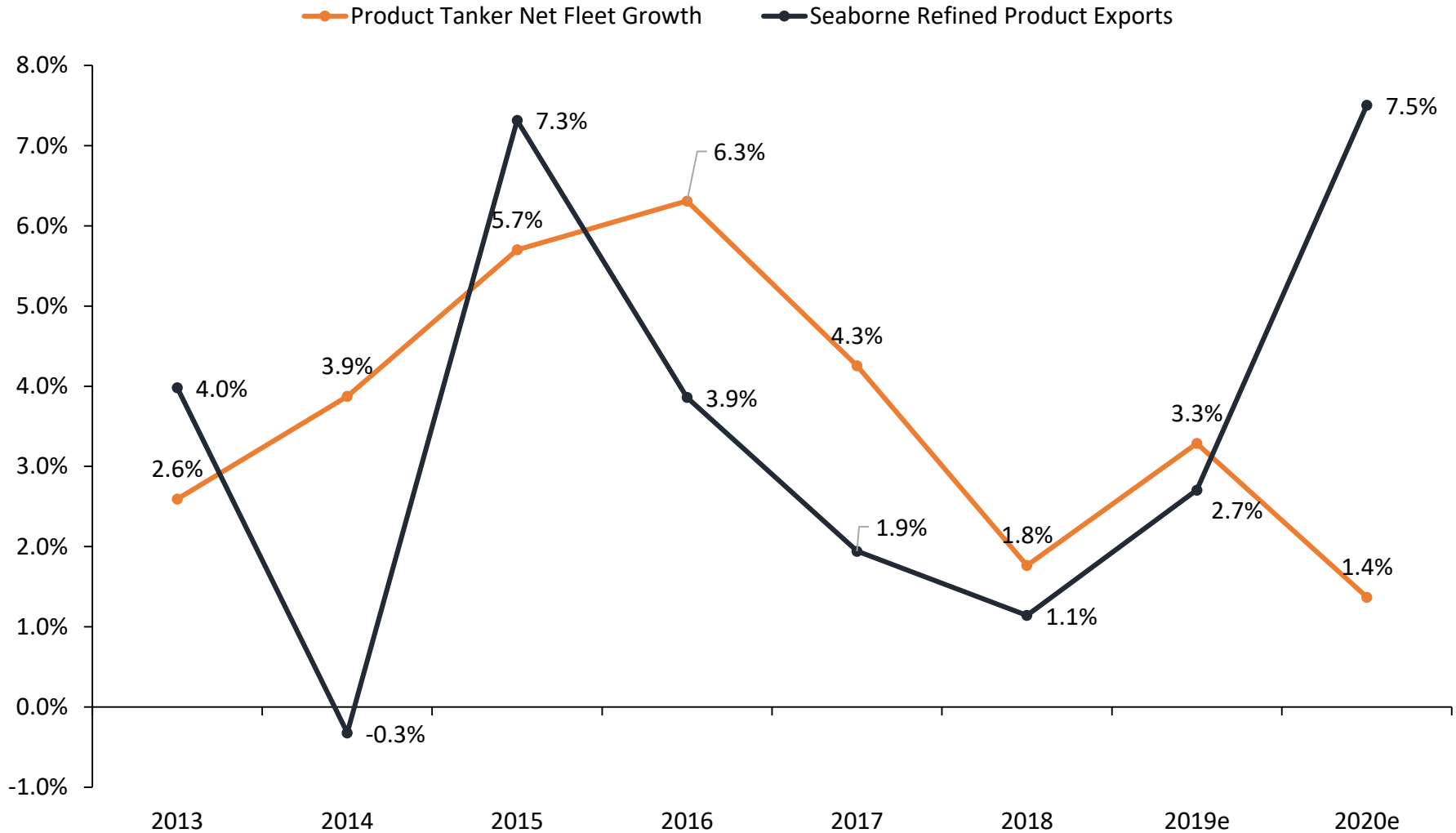
Incremental MGO/LSFO Demand by 2020 <sup>(1)</sup>



(1) Platts December 2018,  
 (2) Goldman Sachs September 2018  
 (3) Clarksons, seaborne exports of refined products of 23.8 mb/d in 2018

Non compliance assumed to be 15% of consumption  
 HSFO= High sulfur fuel, Compliant fuels: LSFO = low sulfur fuel oil, MGO = marine gas oil

# Supply Demand to Rebalance in 2019

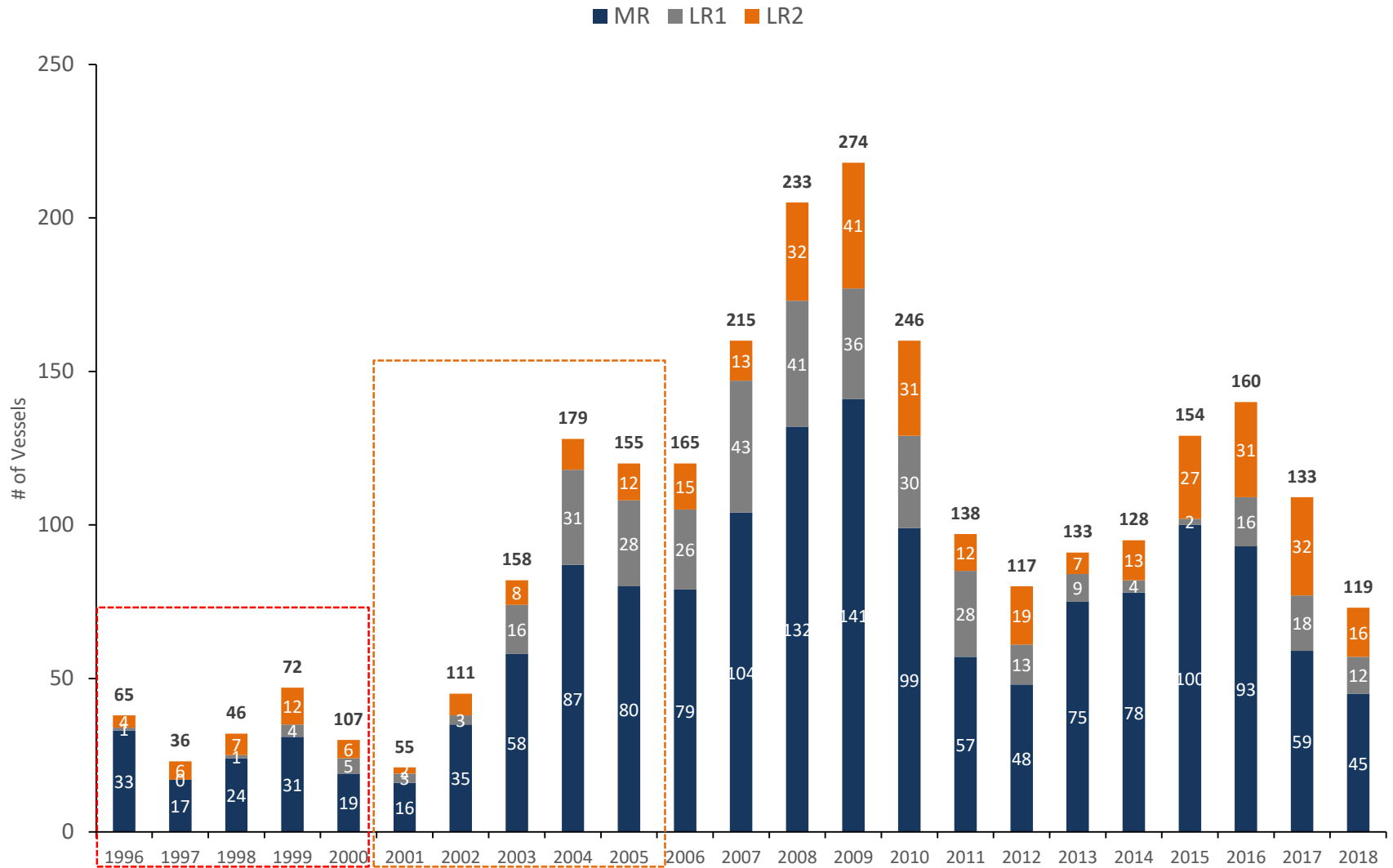


Source: Clarksons Research Services, February 2019

Supply: 20% slippage on scheduled newbuilding deliveries 2019-2021, Scrapping assumptions for 2018-2020 is 10 year avg of 2.1 million dwt

Demand assumptions: Clarksons (2018e 23.35 mb/d and 2019e 23.98 mb/d), Scorpio (2020e) added increase of 1.8 mb/d based on MGO/LSFO consumption from IMO 2020

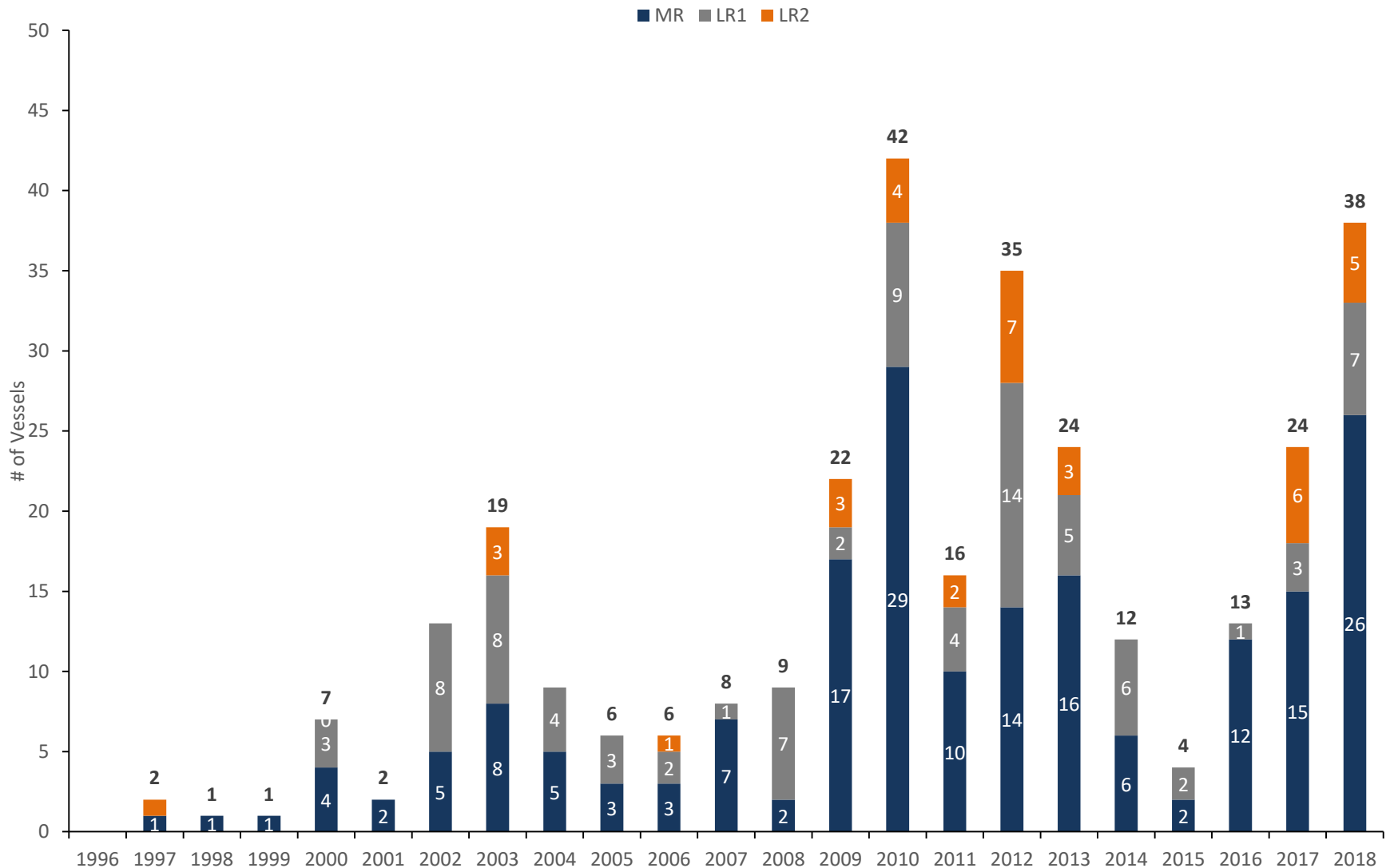
# Product Tanker Deliveries



Source: Clarksons Research Services, February 2019



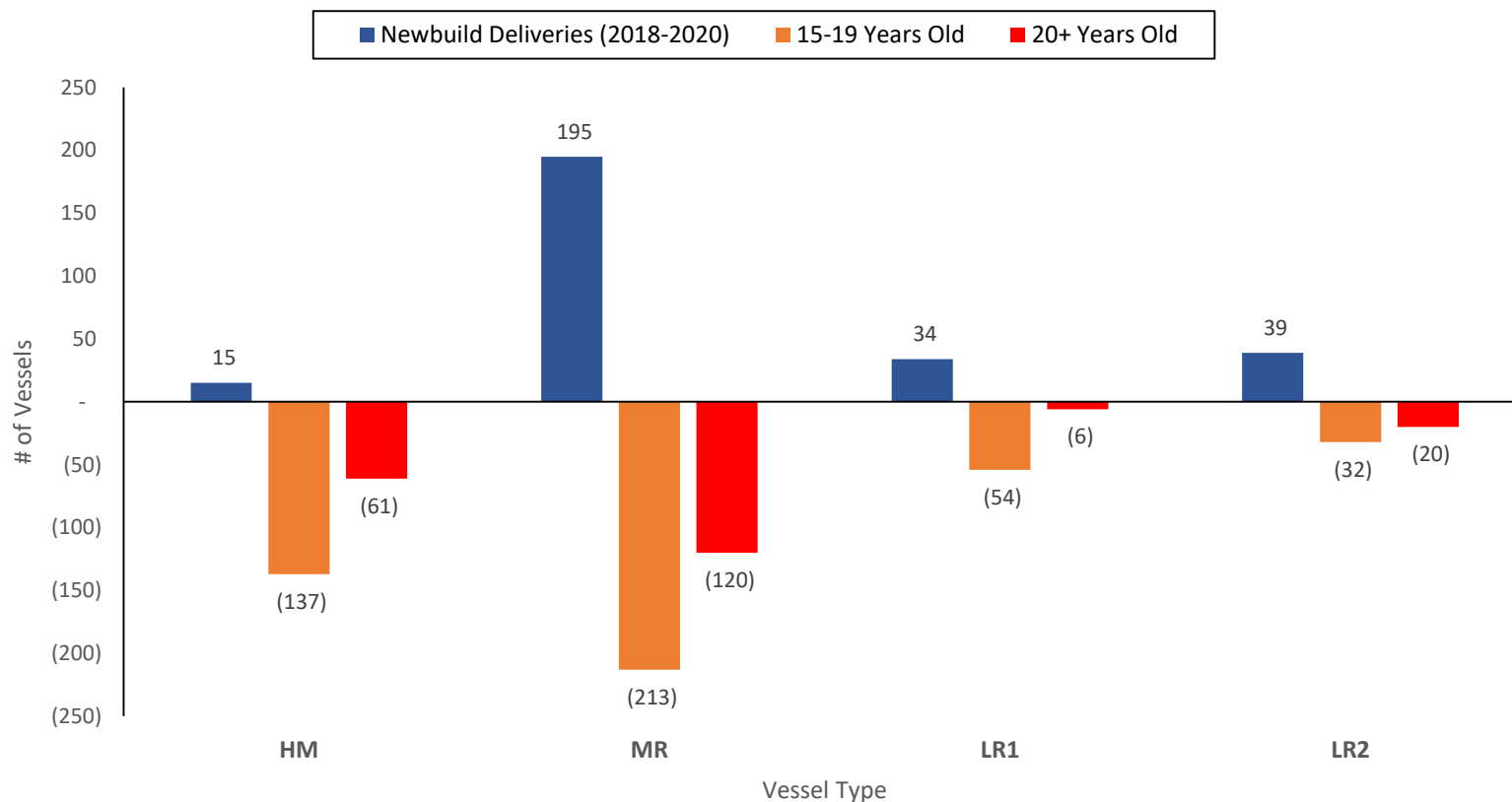
# Product Tanker Scrapping



Source: Clarksons Research Services, February 2019

# Aging Fleet vs. Newbuild Deliveries: 2018 - 2020

- By 2020, the number of vessels 15-19 years old and 20 years and older will outpace newbuilding deliveries between 2018-2020
- Rising fuel costs from IMO 2020 and capital expenditures for BWT systems likely to accelerate scrapping of older tonnage



# Appendix

# 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

## Owned & Finance Leased Vessels

Name	Year	DWT	Type	Name	Year	DWT	Type	Name	Year	DWT	Type
STI Comandante	May-14	38,734	HM	STI Soho	Dec-14	49,990	MR	STI Broadway	Nov-14	109,999	LR2
STI Brixton	Jun-14	38,734	HM	STI Tribeca	Jan-15	49,990	MR	STI Condotti	Nov-14	109,999	LR2
STI Pimlico	Jul-14	38,734	HM	STI Gramercy	Jan-15	49,990	MR	STI Rose	Jan-15	109,999	LR2
STI Hackney	Aug-14	38,734	HM	STI Bronx	Feb-15	49,990	MR	STI Veneto	Jan-15	109,999	LR2
STI Acton	Sep-14	38,734	HM	STI Pontiac	Mar-15	49,990	MR	STI Alexis	Jan-15	109,999	LR2
STI Fulham	Sep-14	38,734	HM	STI Manhattan	Mar-15	49,990	MR	STI Winnie	Mar-15	109,999	LR2
STI Camden	Sep-14	38,734	HM	STI Queens	Apr-15	49,990	MR	STI Oxford	Apr-15	109,999	LR2
STI Battersea	Oct-14	38,734	HM	STI Osceola	Apr-15	49,990	MR	STI Lauren	Apr-15	109,999	LR2
STI Wembley	Oct-14	38,734	HM	STI Notting Hill	May-15	49,687	MR	STI Connaught	May-15	109,999	LR2
STI Finchley	Nov-14	38,734	HM	STI Seneca	Jun-15	49,990	MR	STI Spiga	Jun-15	109,999	LR2
STI Clapham	Nov-14	38,734	HM	STI Westminster	Jun-15	49,687	MR	STI Savile Row	Jun-15	109,999	LR2
STI Poplar	Dec-14	38,734	HM	STI Brooklyn	Jul-15	49,990	MR	STI Kingsway	Aug-15	109,999	LR2
STI Hammersmith	Jan-15	38,734	HM	STI Black Hawk	Sep-15	49,990	MR	STI Lombard	Aug-15	109,999	LR2
STI Rotherhithe	Jan-15	38,734	HM	STI Galata	Mar-17	49,990	MR	STI Carnaby	Sep-15	109,999	LR2
STI Amber	Jul-12	49,990	MR	STI Bosphorus	Apr-17	49,990	MR	STI Grace	Mar-16	109,999	LR2
STI Topaz	Aug-12	49,990	MR	STI Leblon	Jul-17	49,990	MR	STI Jermyn	Jun-16	109,999	LR2
STI Ruby	Sep-12	49,990	MR	STI La Boca	Jul-17	49,990	MR	STI Selatar	Feb-17	109,999	LR2
STI Garnet	Sep-12	49,990	MR	STI San Telmo	Sep-17	49,990	MR	STI Rambla	Mar-17	109,999	LR2
STI Onyx	Sep-12	49,990	MR	STI Donald C. Trauscht	Oct-17	50,000	MR	STI Solidarity	Nov-15	109,999	LR2
STI Fontvieille	Jul-13	49,990	MR	STI Esles II	Jan-18	50,000	MR	STI Stability	Jan-16	109,999	LR2
STI Ville	Sep-13	49,990	MR	STI Jardins	Jan-18	50,000	MR	STI Solace	Jan-16	109,999	LR2
STI Opera	Jan-14	49,990	MR	STI Excel	Nov-15	74,000	LR1	STI Symphony	Feb-16	109,999	LR2
STI Duchessa	Jan-14	49,990	MR	STI Excelsior	Jan-16	74,000	LR1	STI Sanctity	Mar-16	109,999	LR2
STI Texas City	Mar-14	49,990	MR	STI Expedite	Jan-16	74,000	LR1	STI Steadfast	May-16	109,999	LR2
STI Meraux	Apr-14	49,990	MR	STI Exceed	Feb-16	74,000	LR1	STI Nautilus	May-16	113,000	LR2
STI San Antonio	May-14	49,990	MR	STI Experience	Mar-16	74,000	LR1	STI Gallantry	Jun-16	113,000	LR2
STI Venere	Jun-14	49,990	MR	STI Express	May-16	74,000	LR1	STI Supreme	Aug-16	109,999	LR2
STI Virtus	Jun-14	49,990	MR	STI Executive	May-16	74,000	LR1	STI Guard	Aug-16	113,000	LR2
STI Aqua	Jul-14	49,990	MR	STI Excellence	May-16	74,000	LR1	STI Guide	Oct-16	113,000	LR2
STI Dama	Jul-14	49,990	MR	STI Pride	Jul-16	74,000	LR1	STI Goal	Nov-16	113,000	LR2
STI Benicia	Sep-14	49,990	MR	STI Providence	Aug-16	74,000	LR1	STI Guantlet	Jan-17	113,000	LR2
STI Regina	Sep-14	49,990	MR	STI Precision	Oct-16	74,000	LR1	STI Gladiator	Jan-17	113,000	LR2
STI St Charles	Sep-14	49,990	MR	STI Prestige	Nov-16	74,000	LR1	STI Gratitude	May-17	113,000	LR2
STI Mayfair	Oct-14	49,990	MR	STI Elysees	Jul-14	109,999	LR2				
STI Yorkville	Oct-14	49,990	MR	STI Madison	Aug-14	109,999	LR2				
STI Memphis	Nov-14	49,995	MR	STI Park	Sep-14	109,999	LR2				
STI Milwaukee	Nov-14	49,990	MR	STI Orchard	Sep-14	109,999	LR2				
STI Battery	Dec-14	49,990	MR	STI Sloane	Oct-14	109,999	LR2				