



# 1 Company Overview

- Scorpio Tankers Inc. (“STNG” or “Company”) is the world’s largest ECO-spec product tanker company
- By Q1-18, the Company will own a fleet of 87 eco-design product tankers
- 77 product tankers on the water with an average age of 2.1 years
  - 21 LR2s (110,000 DWT, ~750,000 bbls)
  - 42 MRs (52,000 DWT, ~275,000 bbls)
  - 14 Ice-Class Handymax (38,000 DWT, ~200,000 bbls)
- 10 vessels under construction
  - 2 LR2s to be delivered in 2016 & 2017
  - 8 MRs to be delivered in 2017 & 2018
- 16 product tankers time chartered-in (mainly on short-term charters)
- 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



## 2 Operating Leverage Continues to Grow

Class	Existing	To be Delivered			Total Owned	TC-In	Total
		2016	2017	2018			
<b>Handymax (35,000 DWT)</b>	<b>14</b>	-	-	-	<b>14</b>	<b>5</b>	<b>19</b>
<b>MR (52,000 DWT)</b>	<b>42</b>	-	<b>7</b>	<b>1</b>	<b>50</b>	<b>8</b>	<b>58</b>
<b>LR1 (75,000 DWT)</b>	-	-	-	-	-	<b>1</b>	<b>1</b>
<b>LR2 (110,000 DWT)</b>	<b>21</b>	<b>1</b>	<b>1</b>	-	<b>23</b>	<b>2</b>	<b>25</b>
<b>Total</b>	<b>77</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>87</b>	<b>16</b>	<b>103</b>



### 3 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.

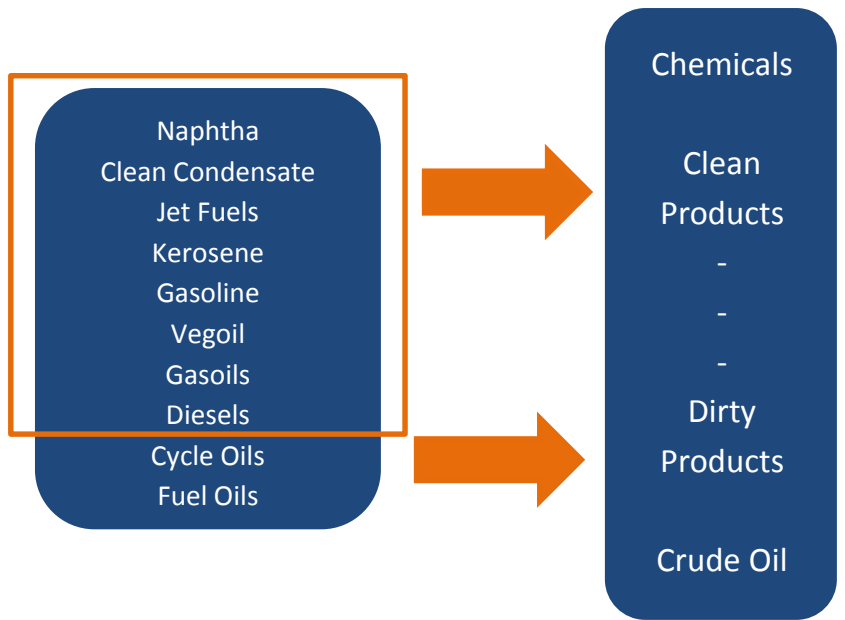
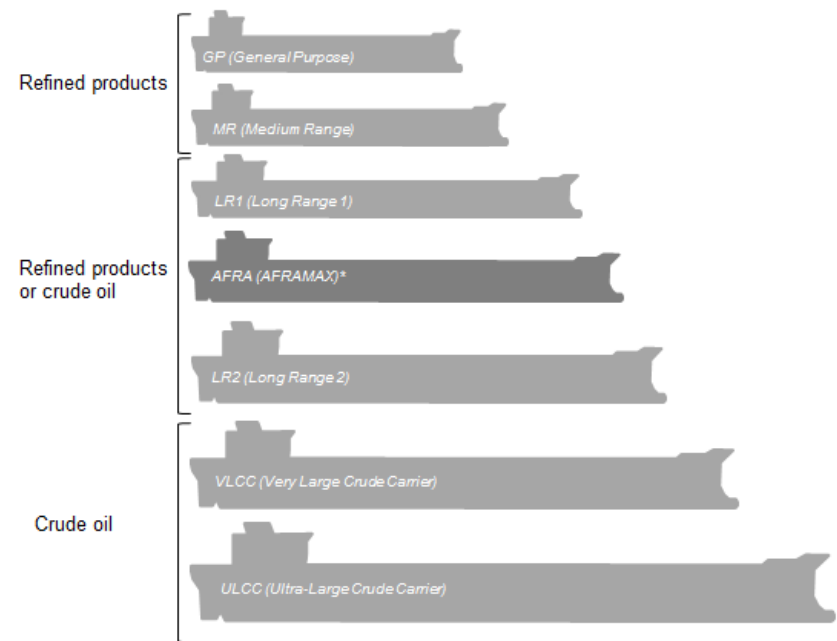


# 4 Product and Crude Tankers



	"Dirty" - Crude				
Vessel Size	VLCC (200,000+ DWT)	Suezmax (120,000 - 200,000 DWT)	Aframax (80,000 - 120,000 DWT)	Panamax (60,000 - 80,000 DWT)	Handysize (< 60,000 DWT)
Cargo Size	2,000,000 bbls	1,000,000 bbls	500,000-800,000 bbls	350,000-500,000 bbls	<=350,000 bbls

"Clean" - Products			
LR2 (80,000-120,000 DWT)	LR1 (60,000-80,000 DWT)	Hmx/MR (25,000-60,000 DWT)	Handysize (<25,000 DWT)
615,000-800,000 bbls	345,000-615,000 bbls	200,000-345,000 bbls	<=200,000 bbls



## 5 Product Tanker Specifications

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.

## 6 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



Mewis Duct

Larger Propeller

G-Type  
(Electronic Long Stroke Main Engine)

Hydrodynamic Hull Form

Low Friction Hull Coating

Enhanced Cargo Tank Coatings

Bulbous Bow

## 7 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**



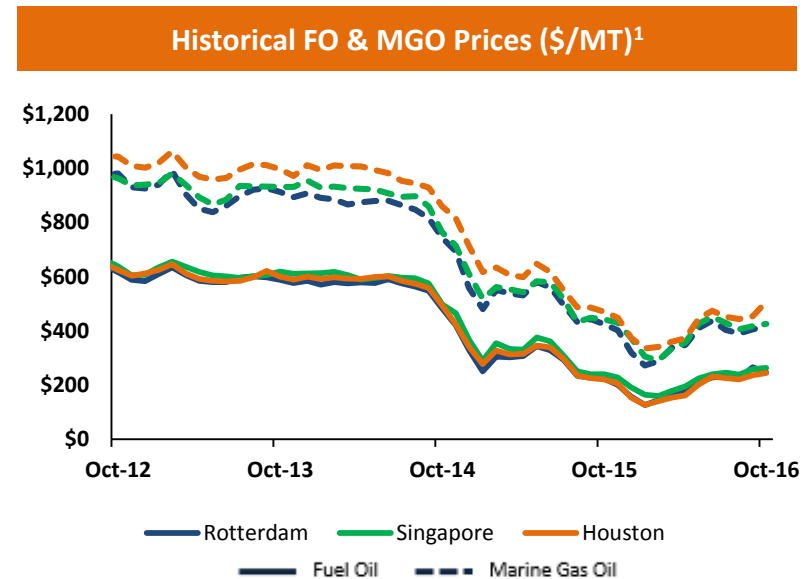
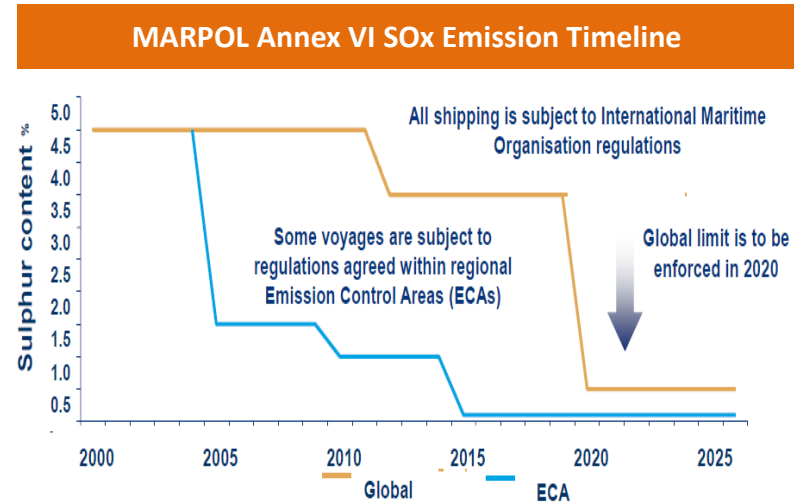
**BWTS Piping in Engine Room**



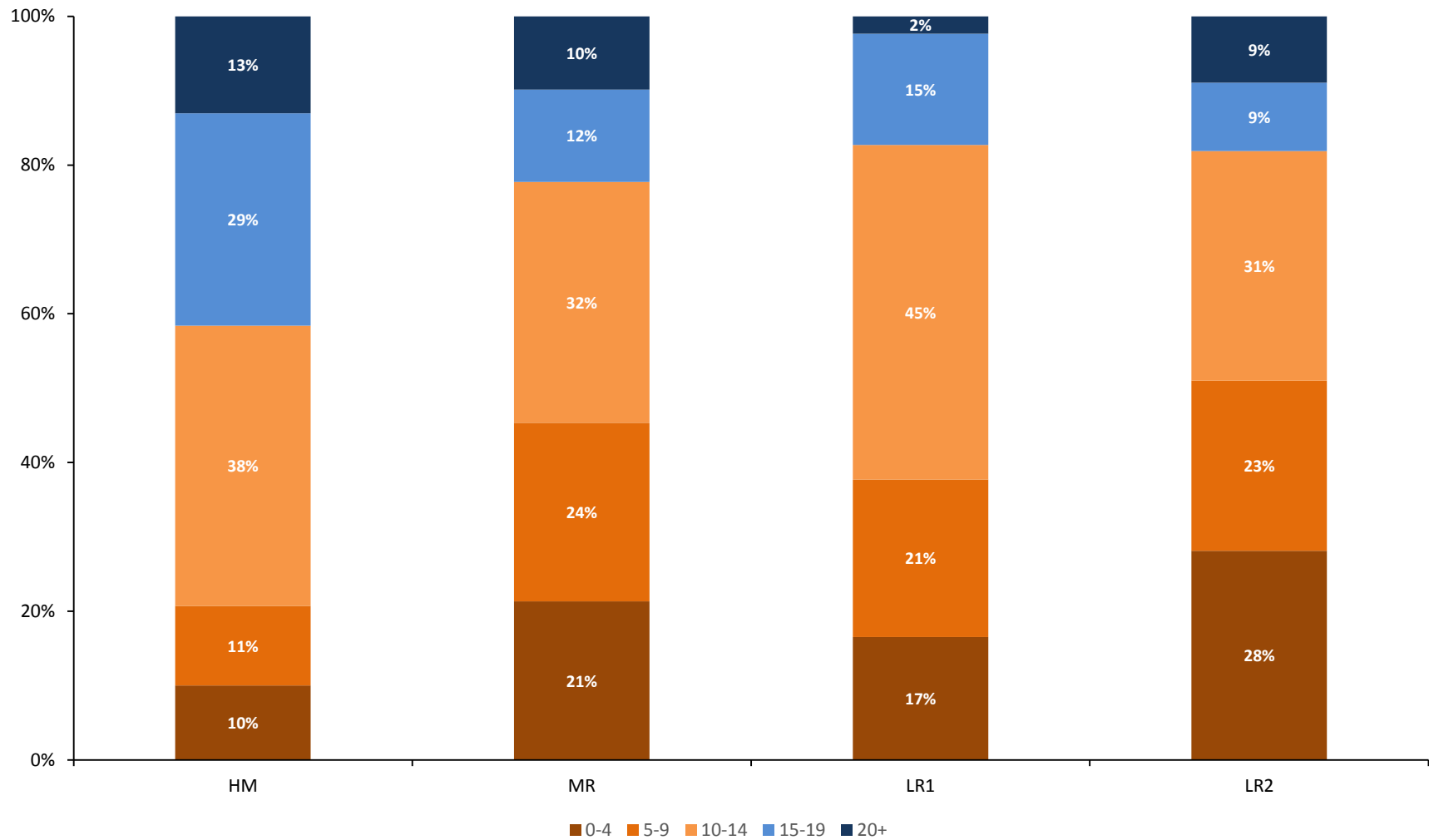


## 8 New Sulfur Emission Regulations

- On October 27, 2016 the International Maritime Organization's (IMO) 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%
- The cost of the scrubber depends on the size and type of ship but is estimated to cost \$4-\$10 million.
- Refineries that currently produce traditional fuel oil in areas such as Russia, Mexico, Venezuela, Iraq, and Iran are unlikely to have enough capital to upgrade refineries, resulting in the need to more blended fuel.
- Assuming 80% gasoil is blended with diesel, this would lead to an increase in global diesel demand, increasing the demand for product tankers.
- Increase in scrap rate as the cost to equip older tonnage with scrubbers can exceed the scrap value of the vessel.
- Modern fuel efficient ships have a competitive advantage over older tonnage through lower fuel consumption.



# 9 Product Tanker Fleet Age Profile 2019

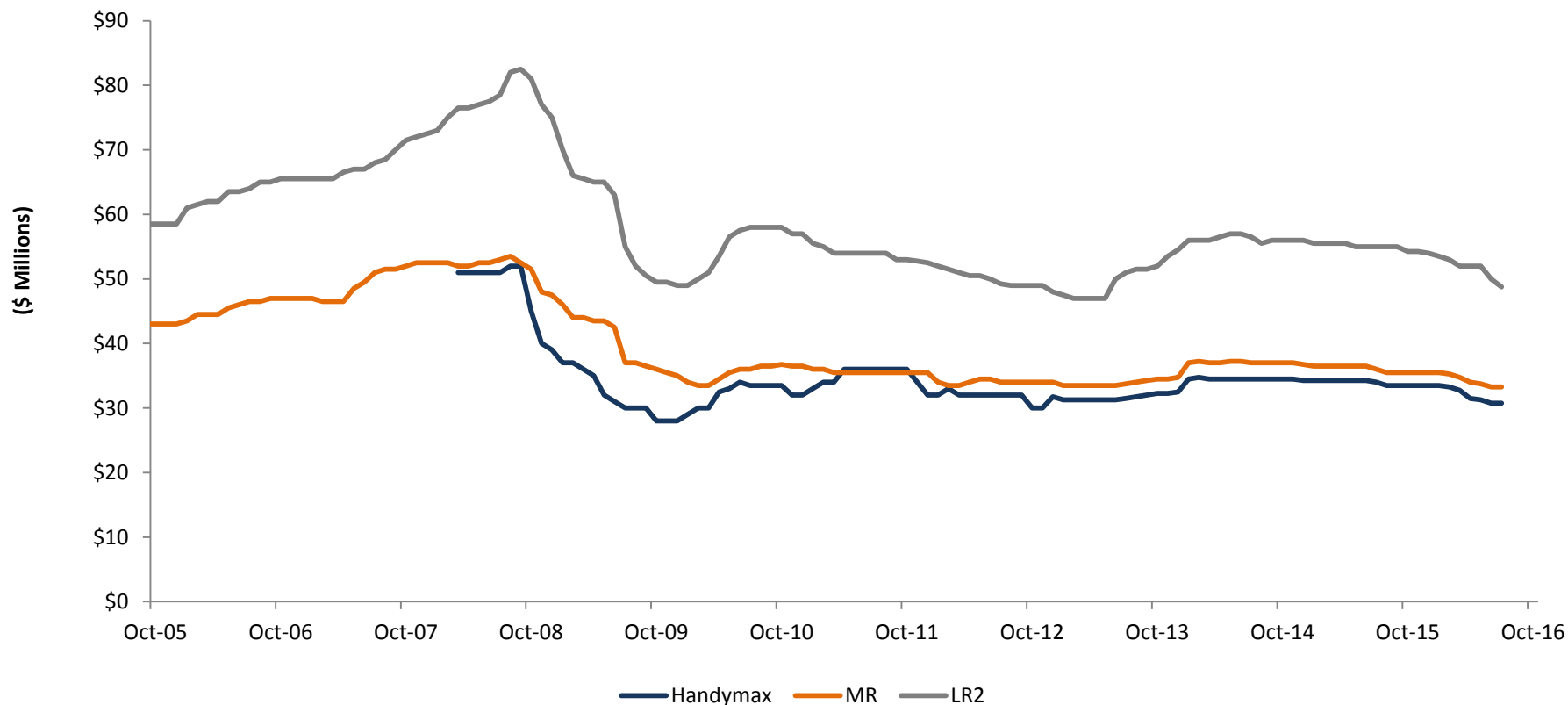


Uses current fleet, order book, and # of vessels.  
Assumes no slippage, cancellation or scrapping  
Clarksons Research Services, November 2016

# 10 Newbuilding Asset Prices

Historical Data 2005-2016				
(\$ in millions)	Current	Avg	Max	Min
<b>Handymax</b>	\$30	\$34	\$52	\$28
<b>MR</b>	\$33	\$40	\$54	\$33
<b>LR2</b>	\$47	\$58	\$83	\$47

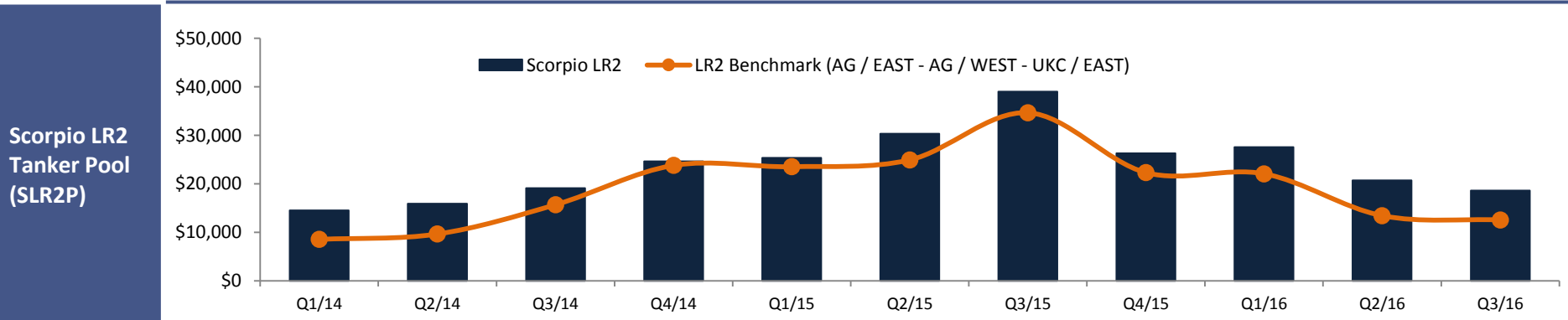
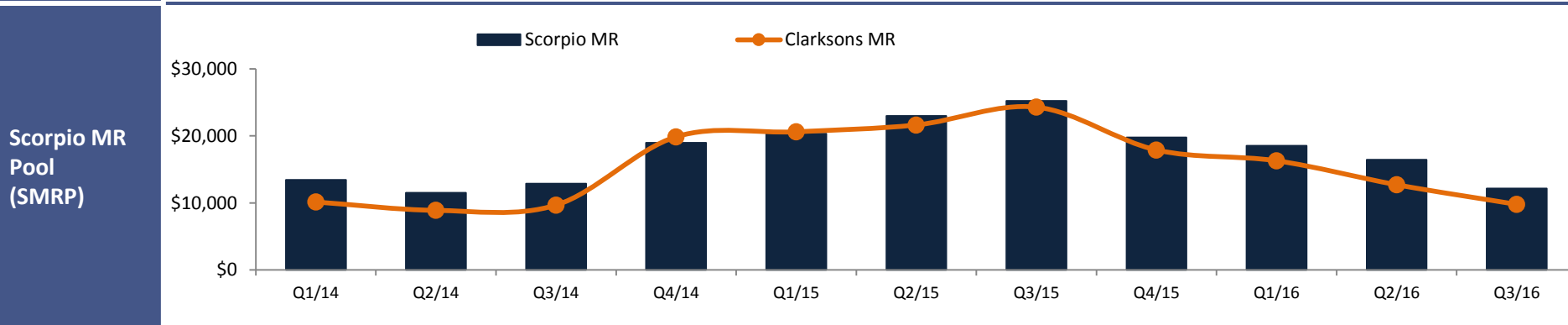
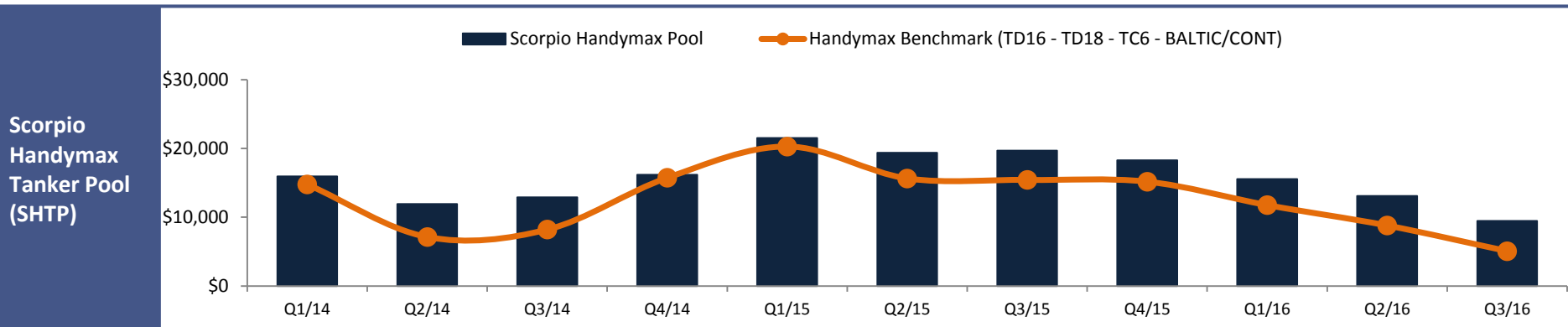
Scorpio Average Vessel Purchase Price	
(\$ In Millions)	Price
<b>Handymax</b>	<b>\$31</b>
<b>MR</b>	<b>\$36</b>
<b>LR2</b>	<b>\$53</b>



# 11 Scorpio Pools Have Consistently Outperformed The Market

Pool

Performance (\$/day)





## 12 Product Tanker Owners & Operators

Scorpio's trading platform operates the largest product tanker fleet in the market with over 150 vessels under commercial management

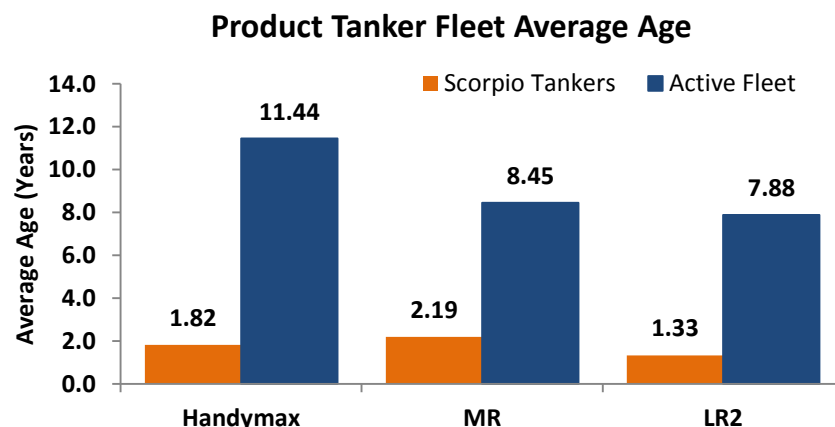
### Top Pool Operators

Pool Operator	Handymax	MR	LR2	Total
Scorpio	33	82	23	138
Norient	38	55	-	93
Handytankers	63	19	-	82
Navig8	6	17	16	39
Teekay Taurus	-	-	13	13

### Top Five Handymax & MR Owners <sup>(1)</sup>

#	Owner	Vessels
1	Scorpio Tankers	56
2	TORM A/S	49
3	Sinokor Merchant	40
4	Interorient Nav. Co.	37
5	China Merchants Grp	36
<b>Total Fleet</b>		<b>1,826</b>

### Scorpio Average Age vs. Worldwide Fleet <sup>(2)</sup>



### Top Five LR2 Owners <sup>(1)</sup>

#	Owner	Vessels
1	Scorpio Tankers	21
2	A.P. Moller	14
3	Ocean Tankers	12
4	K. G. Jebsen (KGJS)	10
5	Fredriksen Group	10
<b>Total Fleet</b>		<b>306</b>

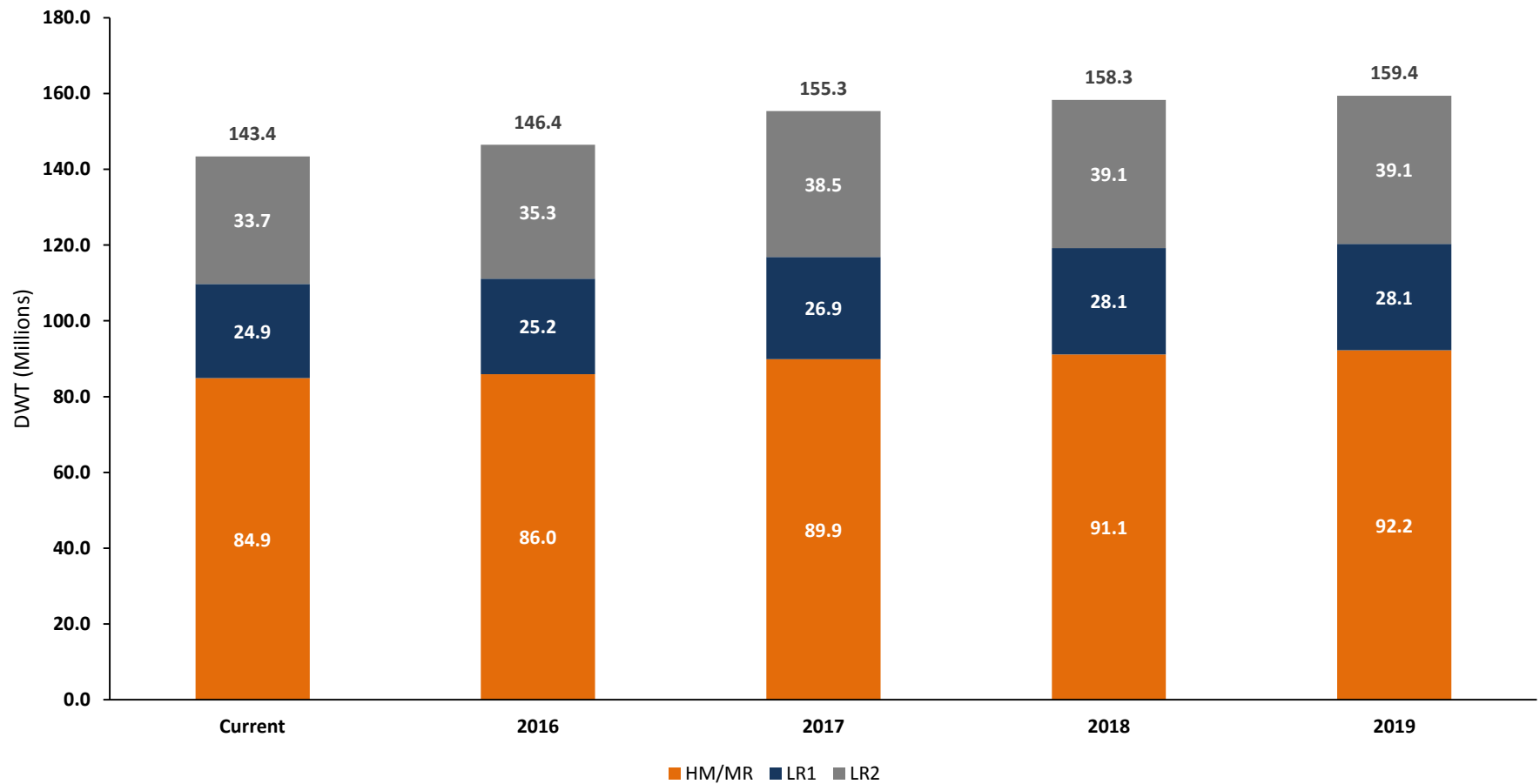
(1) Clarksons Research Services as of September 2016. Does not include newbuilds.

(2) Clarksons Research Services, September 2016

# Product Tanker Fundamentals



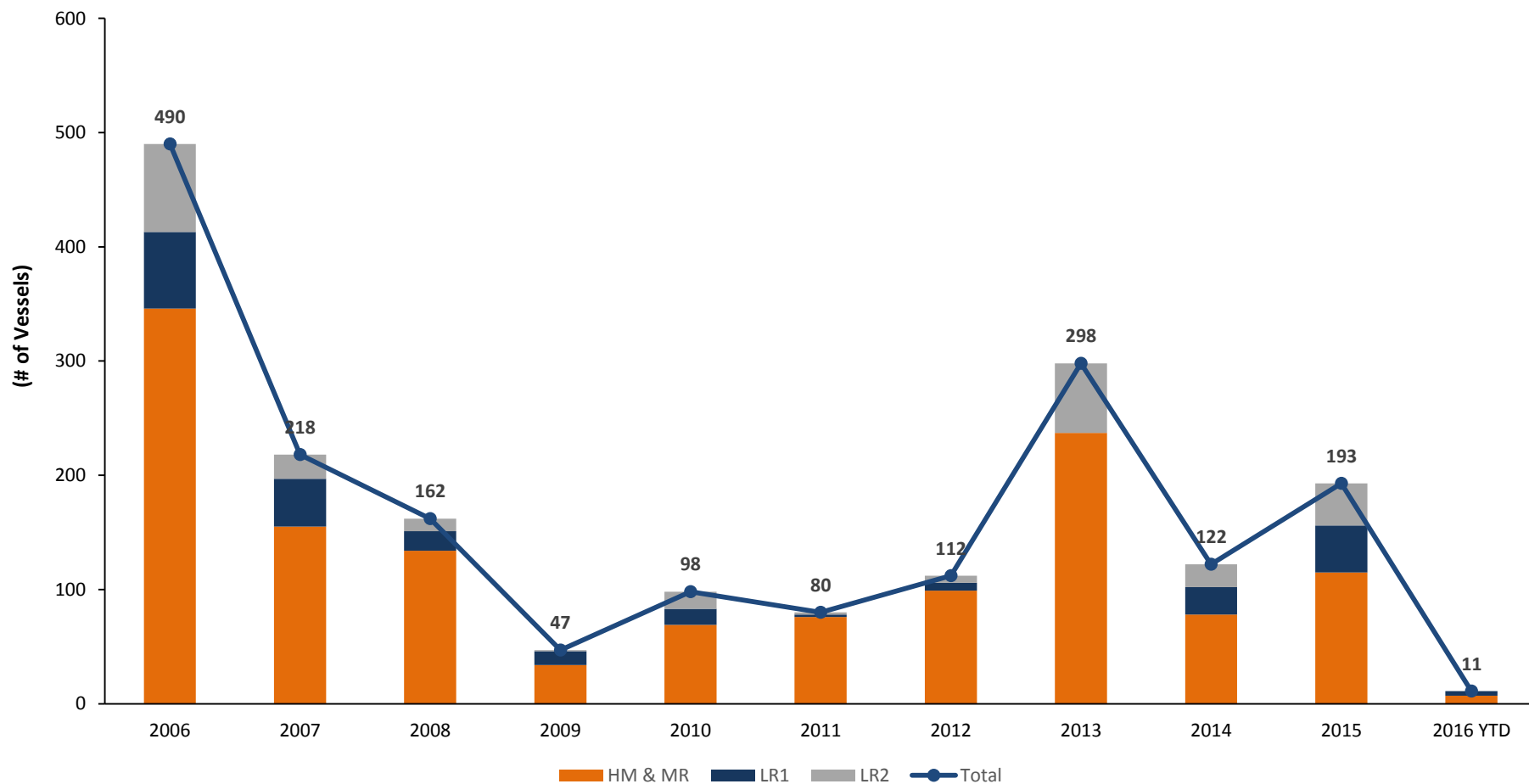
# 14 Product Tanker DWT Before Scrapping



Assumes no slippage, cancellation or scrapping  
Clarksons Research Services, November 2016

# 15 Product Tanker Newbuilding Contracts at 20 Year Low

2016 Newbuilding Contracts YTD				
Handymax <sup>(1)</sup>	MR	LR1	LR2	Total
3	3	2	0	8



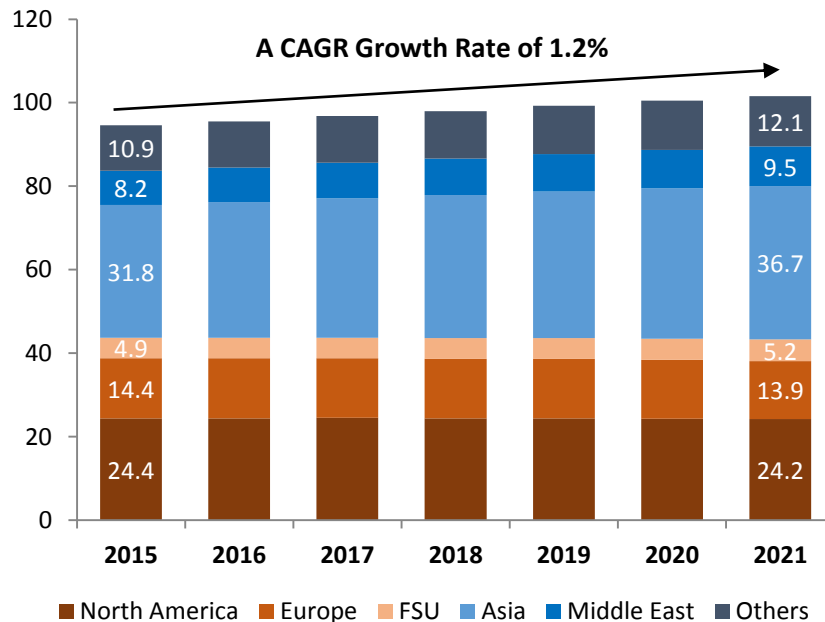
(1) Includes one asphalt & bitumen carrier  
Source: Clarksons Research Services, November 2016



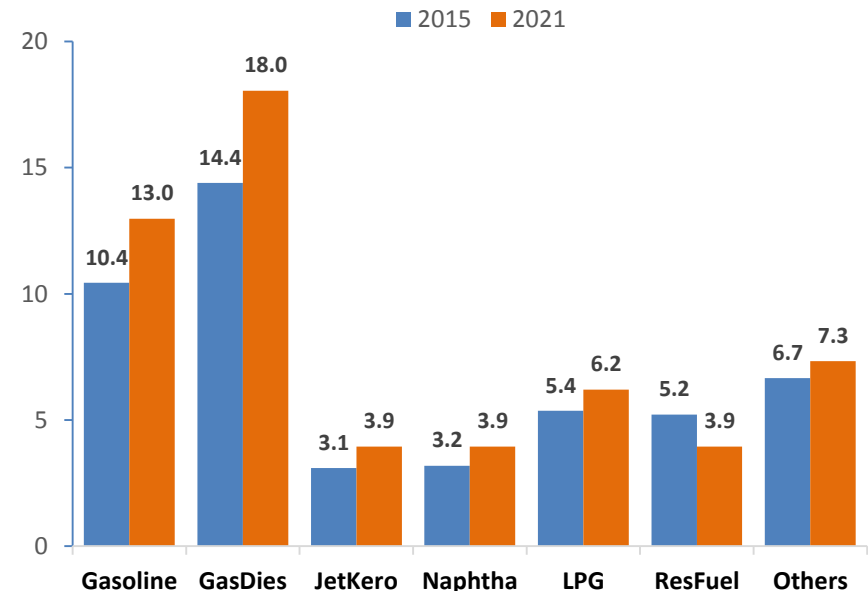
## 16 Global Oil Demand Continues to Increase

- Global oil demand is expected to grow by 7.2 mb/d between 2015 and 2021, or a CAGR growth rate of 1.2%, reaching 101.6 mb/d in 2021.
- The growth rate is lower than the 1.7% per annum seen in 2009-2015 due to increasing vehicle fuel efficiency and China's economic transition from export-led growth to a consumption and services driven economy.
- Global oil demand growth is primarily driven by non-OECD countries, specifically Asian countries. Non-OECD countries are expected to contribute 8.1 mb/d to the global growth between 2015 and 2021, versus a net-OECD decline of 0.9 mb/d.
- Gasoline and gasoil are expected to account for roughly 75% of the non-OECD oil demand growth.

Global Oil Demand: 2015-2021 (mb/d)



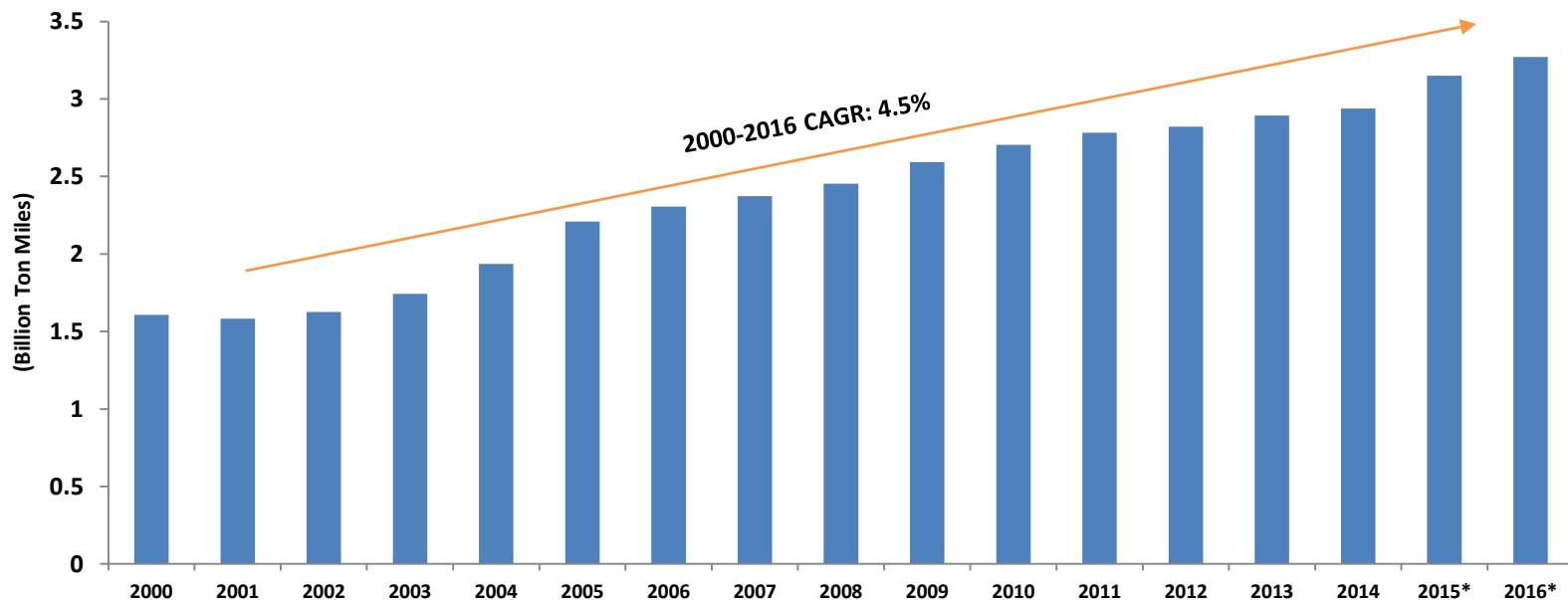
Non-OECD Oil Demand: 2015-2021 (mb/d)



## 17 Structural Drivers in Demand for Refined Products

- Between 2000-2016, ton miles have increased an average of 4.5% per year.
- Reduction in oil prices has led to an increase in the production of refined products, and consequently the quantity to be transported.
- 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).
- Growing consumption in Latin America, Africa, and non-China/Japan Asia and lack of corresponding refining capacity growth.
- Balance of trade needs of each particular region- gasoline/diesel trade between U.S./Europe is a prime example.

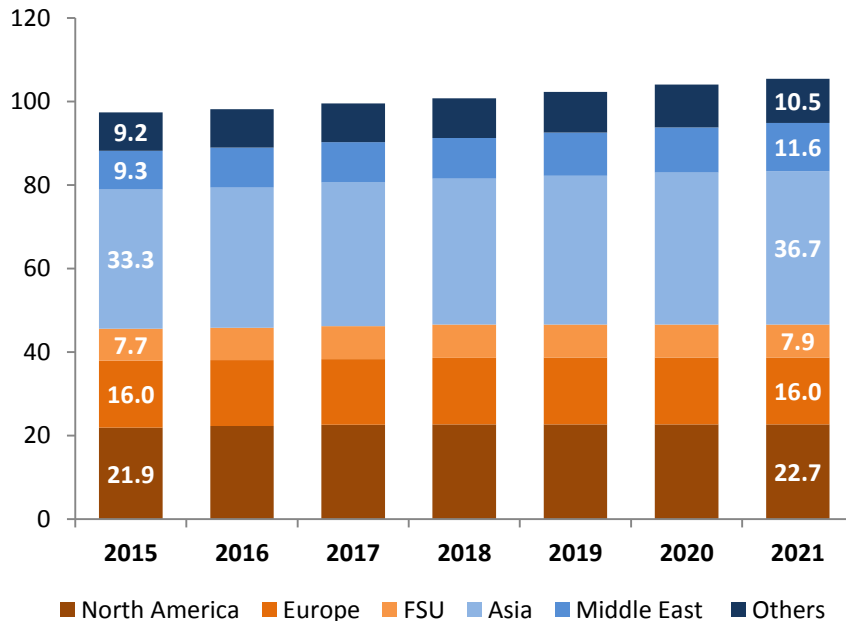
### World Seaborne Refined Products Trade



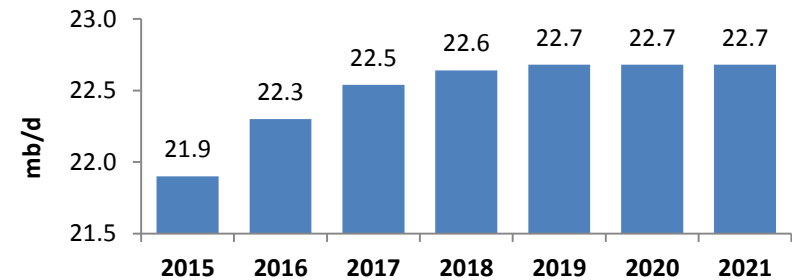
## 18 Refinery Capacity Expansions Drive Demand

- The refining industry continues to undergo massive expansion and restructuring as worldwide refining hubs in Asia, the Middle East, and United States are crowding out legacy capacity in Europe and OECD Asia Oceania.
- According to International Energy Agency (“IEA”), refinery capacity is expected to increase by 7.7 mb/d between 2015-2021, reaching 104.9 mb/d in 2021.
- Non-OECD Asia, including the Middle East, remains the contributor to growth, adding 2.3 mb/d, followed by China with increased capacity of 2.2 mb/d.
- North America looks to add 0.8 mb/d of new refining capacity through 2021, of which the majority is accounted for by US expansion in the next two years.

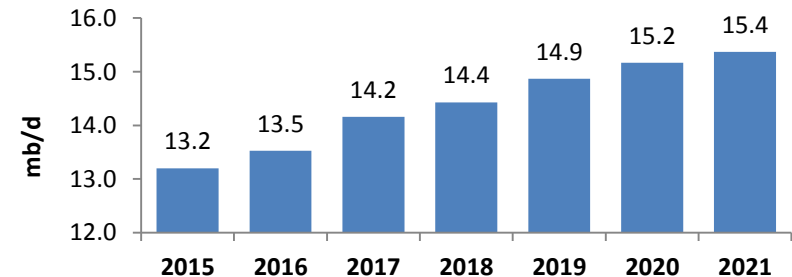
**Global Refining Capacity: 2015-2021 (mb/d)**



**North American Refinery Capacity Expansions**



**Chinese Refinery Capacity Expansions**



## 19 Middle East Investing in New Refinery 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.
- In 2009, the EU introduced the Euro-V fuel standards, reducing the maximum sulfur content for diesel to just 10 parts per million, or ppm, from the 50ppm set in 2005.
- Satorp shipped its first 80,000 mt cargo of ultra-low sulfur diesel from Jubail in October last year, claiming just 3ppm.

**Major Capacity Additions 2016-2019**

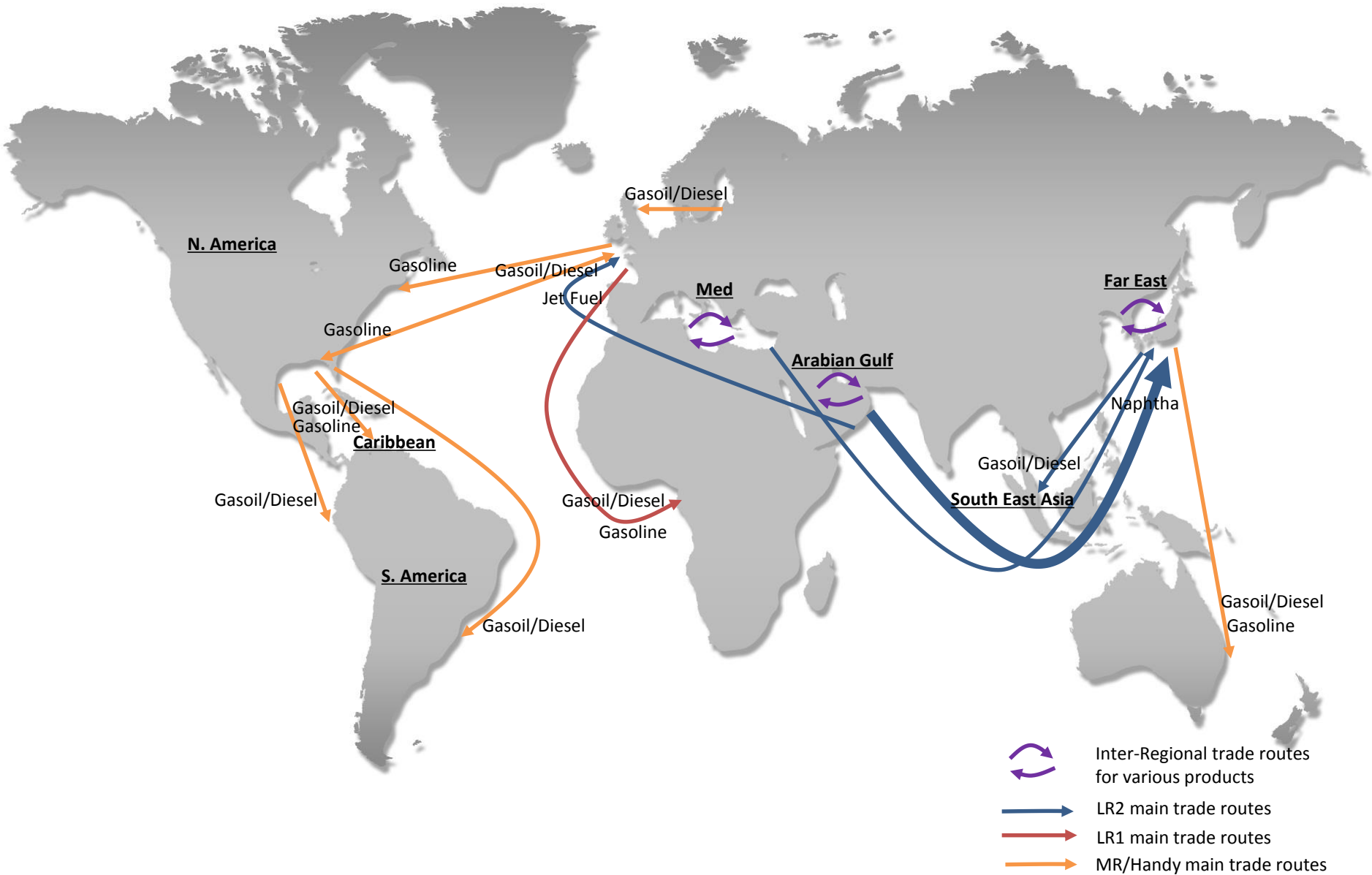


**Middle East Refinery Expansion Projects**

Country	Refinery	Year	Capacity (kb/d)
<b>New Refineries</b>			
Qatar	Ras Laffan 2	2016	136
Iran	Persian Gulf Star	2016	120
Oman	Sohar	2016	30
UAE	Jebel Ali	2016	20
Iran	Persian Gulf Star	2017	120
Oman	Sohar	2017	82
Saudi Arabia	Rabigh 2	2017	50
Iraq	Qaiwan-Baizan	2018	50
Kuwait	Al Zour	2019	615
Saudi Arabia	Jizan	2019	400
Kuwait	Mina Abdulla	2019	184
Iran	Siraf	2019	120
Iran	Persian Gulf Star	2019	120
<b>New Refinery Capacity</b>			<b>2,047</b>
<b>Closures</b>			
Kuwait	Shuaiba	2017	-200
Kuwait	Mina al-Ahmadi	2019	-119
<b>Closure Capacity</b>			<b>-319</b>
<b>Capacity Expansion</b>			<b>1,728</b>



# 20 Product Tanker Trade Map



## 21 Highlights

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 2.1 years), built at high quality yards.

2

### Tremendous fleet growth and operating leverage

- STNG currently operates a fleet of 77 wholly owned tankers and time charters-in an additional 16 tankers
- The Company has 10 vessels under construction – 2 LR2s to be delivered in 2016/2017 and 8 MRs to be delivered 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

# Appendix

## 23 Fleet List

Owned Vessels							
Name	Year	DWT	Type	Name	Year	DWT	Type
STI Comandante	May-14	38,000	HM	STI Yorkville	Oct-14	52,000	MR
STI Brixton	Jun-14	38,000	HM	STI Memphis	Nov-14	52,000	MR
STI Pimlico	Jul-14	38,000	HM	STI Milwaukee	Nov-14	52,000	MR
STI Hackney	Aug-14	38,000	HM	STI Battery	Dec-14	52,000	MR
STI Acton	Sep-14	38,000	HM	STI Soho	Dec-14	52,000	MR
STI Fulham	Sep-14	38,000	HM	STI Tribeca	Jan-15	52,000	MR
STI Camden	Sep-14	38,000	HM	STI Gramercy	Jan-15	52,000	MR
STI Battersea	Oct-14	38,000	HM	STI Bronx	Feb-15	52,000	MR
STI Wembley	Oct-14	38,000	HM	STI Pontiac	Mar-15	52,000	MR
STI Finchley	Nov-14	38,000	HM	STI Manhattan	Mar-15	52,000	MR
STI Clapham	Nov-14	38,000	HM	STI Queens	Apr-15	52,000	MR
STI Poplar	Dec-14	38,000	HM	STI Osceola	Apr-15	52,000	MR
STI Hammersmith	Jan-15	38,000	HM	STI Notting Hill	May-15	52,000	MR
STI Rotherhithe	Jan-15	38,000	HM	STI Seneca	Jun-15	52,000	MR
STI Amber	Jul-12	52,000	MR	STI Westminster	Jun-15	52,000	MR
STI Topaz	Aug-12	52,000	MR	STI Brooklyn	Jul-15	52,000	MR
STI Ruby	Sep-12	52,000	MR	STI Black Hawk	Sep-15	52,000	MR
STI Garnet	Sep-12	52,000	MR	STI Elysees	Jul-14	114,000	LR2
STI Onyx	Sep-12	52,000	MR	STI Madison	Aug-14	114,000	LR2
STI Sapphire	Jan-13	52,000	MR	STI Park	Sep-14	114,000	LR2
STI Emerald	Mar-13	52,000	MR	STI Orchard	Sep-14	114,000	LR2
STI Beryl	Apr-13	52,000	MR	STI Sloane	Oct-14	114,000	LR2
STI Le Rocher	Jun-13	52,000	MR	STI Broadway	Nov-14	114,000	LR2
STI Larvotto	Jul-13	52,000	MR	STI Condotti	Nov-14	114,000	LR2
STI Fontvieille	Jul-13	52,000	MR	STI Rose	Jan-15	114,000	LR2
STI Ville	Sep-13	52,000	MR	STI Veneto	Jan-15	114,000	LR2
STI Opera	Jan-14	52,000	MR	STI Alexis	Jan-15	114,000	LR2
STI Duchessa	Jan-14	52,000	MR	STI Winnie	Mar-15	114,000	LR2
STI Texas City	Mar-14	52,000	MR	STI Oxford	Apr-15	114,000	LR2
STI Meraux	Apr-14	52,000	MR	STI Lauren	Apr-15	114,000	LR2
STI San Antonio	May-14	52,000	MR	STI Connaught	May-15	114,000	LR2
STI Venere	Jun-14	52,000	MR	STI Spiga	Jun-15	114,000	LR2
STI Virtus	Jun-14	52,000	MR	STI Savile Row	Jun-15	114,000	LR2
STI Aqua	Jul-14	52,000	MR	STI Kingsway	Aug-15	114,000	LR2
STI Dama	Jul-14	52,000	MR	STI Lombard	Aug-15	114,000	LR2
STI Benicia	Sep-14	52,000	MR	STI Carnaby	Sep-15	114,000	LR2
STI Regina	Sep-14	52,000	MR	STI Grace	Mar-16	114,000	LR2
STI St Charles	Sep-14	52,000	MR	STI Jermyn	May-16	114,000	LR2
STI Mayfair	Oct-14	52,000	MR				

2016 Delivery Schedule			
Name	Year	DWT	Type
STI Selatar	Dec-16	114,000	LR2

2017 Delivery Schedule			
Name	Year	DWT	Type
STI Rambla	Jan-17	114,000	LR2
STI Galata	Mar-17	52,000	MR
STI Bosphorus	Apr-17	52,000	MR
STI Leblon	Jun-17	52,000	MR
STI La Boca	Jul-17	52,000	MR
STI San Telmo	Sep-17	52,000	MR
STI Jurere	Oct-17	52,000	MR
STI Esles II	Nov-17	52,000	MR

2018 Delivery Schedule			
Name	Year	DWT	Type
STI Jardins	Jan-18	52,000	MR

**77 existing vessels, plus 10 Newbuilds**



## 24 Largest Shareholders

#	Holder	Ownership
1	Wellington Management Company	10.7%
2	Dimensional Fund Advisors	8.3%
3	Fidelity Management & Research Company	4.4%
4	Putnam Investment Management	3.9%
5	Daruma Capital Management	3.7%
6	BlackRock Fund Advisors	4.2%
7	The Vanguard Group	3.6%
8	Carlson Capital	2.3%
9	Investec Asset Management	2.2%
10	Baron Capital Management	2.2%
11	Northern Trust Investments.	2.0%
12	Comerica Bank	1.8%
13	Avenue Capital Management II	1.8%
14	State Street Global Advisors	1.7%
15	Boston Partners	1.6%
16	Deutsche Bank Trust Company Americas	1.8%
17	Millennium Management	1.5%
18	Visium Asset Management	1.0%
19	Wells Fargo & Company	1.4%
20	American Century Investment Management	0.9%