



**OKEANIS**  
ECO TANKERS

***Oslo Børs Presentation***

*June 4<sup>th</sup> 2019*

# Disclaimer

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# OET offers combination of IMO 2020 exposure, shareholder alignment, and attractive share price valuation



## 1) We Own the Right Fleet, Delivering at the Right Time

- All of our 15 vessels are or will be:
  - Eco-design & scrubber-fitted built at premium yards in South Korea or Japan
  - Delivered before January 1, 2020
  - Young (fully delivered average age = 1.7 years)

## 2) We have Best-in-Class Corporate Governance and Novel Shareholder Alignment Provisions

- Board will act in shareholders' best interests, because it consists predominantly of investors owning 72% of the company
  - Three Board members are principals of investment funds with holdings in OET (and long histories of investing in shipping markets)
  - The controlling shareholder (the Alafouzou family) considers stake in OET an important, but opportunistic, financial investment -- and accordingly is determined that it become an optimal vehicle for investors seeking exposure to a tanker market asset play
- Discount Control Mechanism intended to prevent share from trading below NAV over time
- Special Subcommittee of the Board
  - Must approve all new share issuances and new vessel acquisitions -- designed to prevent non-accretive "growth" transactions
  - Will handle all incoming M&A interest

## 3) We Are Committed to Creating Significant Value for Our Shareholders in this Tanker Upcycle

- Preliminary thoughts on dividend policy:
  - **Type:** Cash dividend
  - **Frequency:** Quarterly
  - **Metric:** Free Cash Flow to Equity
  - **Payout:** 100% following modest reserve build-up
  - **Implementation:** By late 2019 – early 2020

# OET Fleet & Employment



Type	Name	Yard	Country	Built	DWT	Eco?	Scrubber?	BWTS?	Charter Coverage Through YE 2020						Charterer	Expiry
									2Q19	3Q19	4Q19	1Q20	2Q20	3Q20		
Aframax/LR2	Nissos Heraclea	HHI	Korea	2015-07	114,322	Yes	Upon redely	Yes	\$19,450						Total	Mar-20
	Nissos Therassia	HHI	Korea	2015-01	114,322	Yes	3Q19	Yes								
	Nissos Schinoussa	HHI	Korea	2015-09	114,322	Yes	3Q19	Yes								
Suezmax	Milos	SSME	Korea	2016-10	157,537	Yes	2Q19	Yes	\$19,000 + 50% Profit Share						Vitol <sup>1</sup>	Mar-20
	Poliegos	SSME	Korea	2017-01	157,537	Yes	2Q19	Yes								
	Kimolos	JMU	Japan	2018-05	159,159	Yes	3Q19	Yes								
	Folegandros	JMU	Japan	2018-09	159,159	Yes	3Q19	Yes								
VLCC	Nissos Rhenia	HHI	Korea	2019-05	318,953	Yes	Yes	Yes	\$35,315						Koch <sup>2</sup>	May-24
	Nissos Despotiko	HHI	Korea	2019-06	318,953	Yes	Yes	Yes	\$35,315						Koch <sup>2</sup>	Jun-24
	Nissos Santorini	HHI	Korea	2019-06	318,953	Yes	Yes	Yes	\$35,315						Koch <sup>2</sup>	Jun-24
	Nissos Antiparos	HHI	Korea	2019-07	318,953	Yes	Yes	Yes	\$35,315						Koch <sup>2</sup>	Jul-24
	Nissos Donoussa	HHI	Korea	2019-08	318,953	Yes	Yes	Yes								
	Nissos Kythnos	HHI	Korea	2019-09	318,953	Yes	Yes	Yes								
	Nissos Keros	HHI	Korea	2019-10	318,953	Yes	Yes	Yes								
	Nissos Anafi	HHI	Korea	2019-12	318,953	Yes	Yes	Yes								

[1] Base rate of \$19,000/day with 50% profit share thereafter.

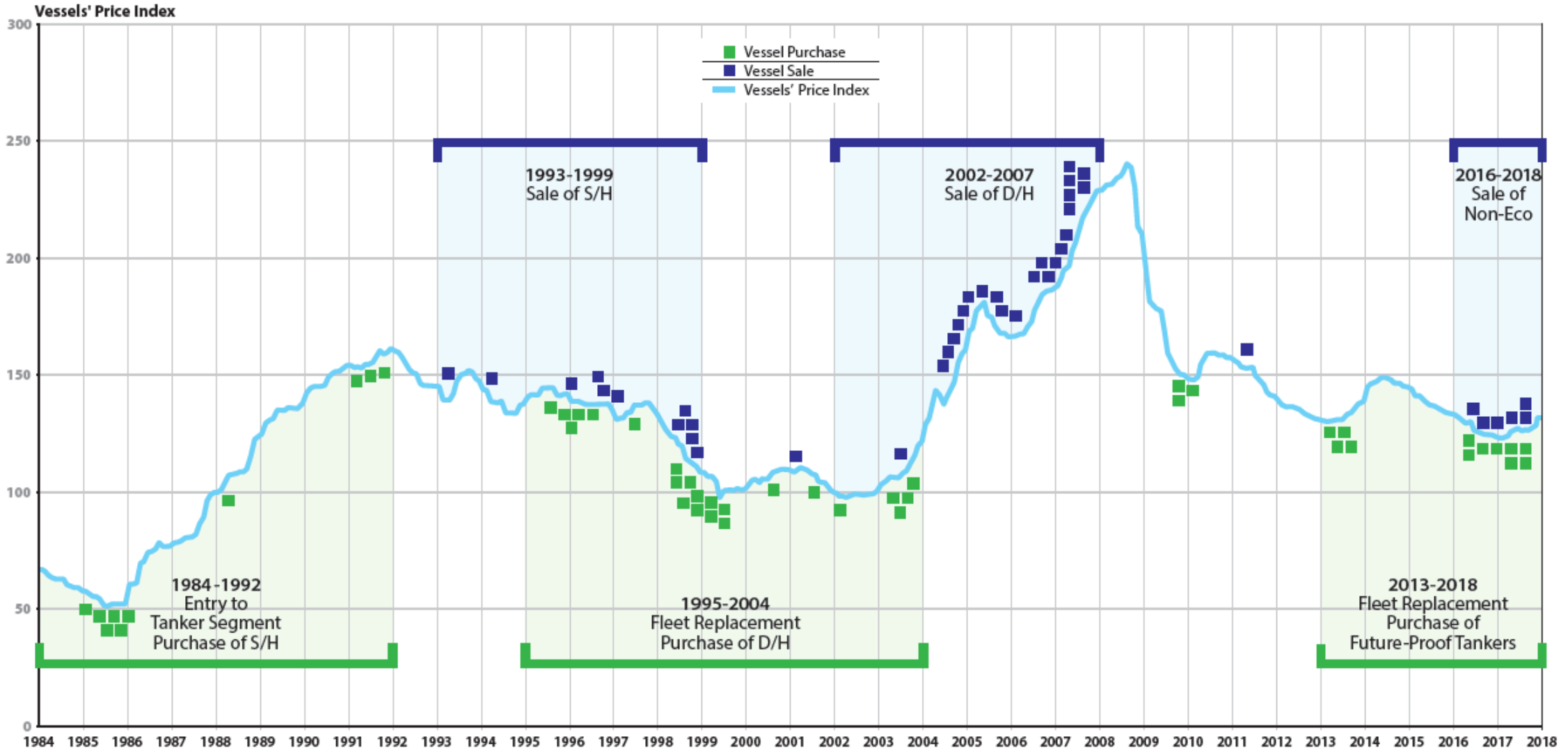
[2] Average timecharter rate for five year duration. The timecharter rate is \$32,615/day for years one and two, and \$37,115/day for years three, four and five.

OET will have the option to cancel the TCP at its discretion from the end of year three until the expiry of the charter, at any time, and without any penalty or premium payable to charterer.

# Alafouzos family possesses strong track record of tanker asset plays



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# Equity value of OET's VLCC fleet ≈ OET market capitalization



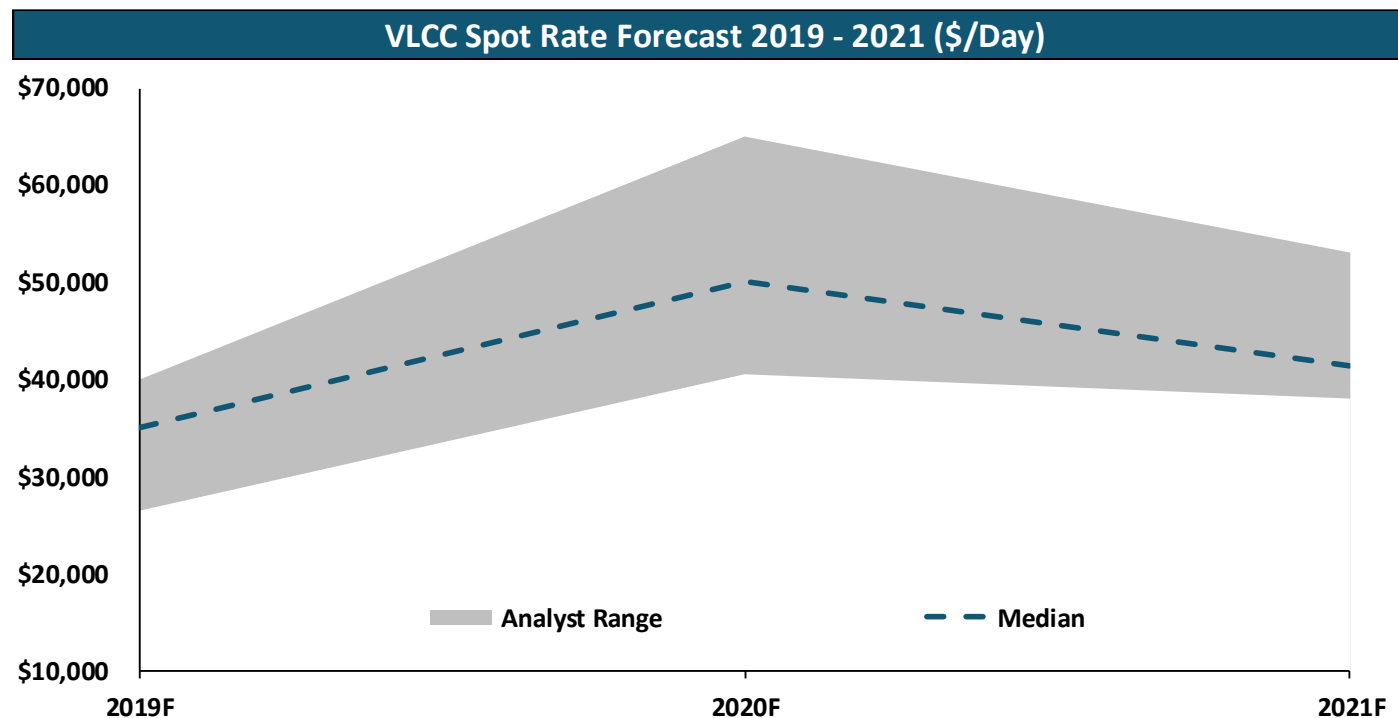
Owner	# VLCCs	Current Value
<b>Okeanis Eco Tankers Corp.</b>	<b>8</b>	<b>\$775</b>
Maran Tankers	7	669
Sinokor	10	951
COSCO Shipping Energy Transportation	6	543

- Current values as per VesselsValue.com as presented in trade publication (Tradewinds) article released today
- OET's VLCC order has been one of the most profitable VLCC orders of the past 2.5 years
- VLCC fleet market value of \$775m, less VLCC fleet debt of \$534m = VLCC fleet equity value of \$241m
  - OET's market cap as of June 3, 2019 is \$250m

# Shipping analysts unanimously forecasting tanker recovery



Research House	Date	2019F	2020F	2021F
ABG Sundal Collier	May-19	\$37,500	\$45,000	\$38,000
Arctic Securities	May-19	\$35,000	\$50,000	\$40,000
Clarksons	Apr-19	\$36,000	\$65,000	\$53,000
DNB Markets	Feb-19	\$26,500	\$40,500	\$42,900
Fearnleys	Apr-19	\$40,000	\$60,000	\$45,000
Pareto	Apr-19	\$32,500	\$55,000	\$40,000
SB1 Markets	Mar-19	\$28,000	\$43,000	
<b>Median</b>		<b>\$35,000</b>	<b>\$50,000</b>	<b>\$41,450</b>
<i>% Change</i>			43%	(17%)
<b>High</b>		<b>\$40,000</b>	<b>\$65,000</b>	<b>\$53,000</b>
<i>% Change</i>			63%	(18%)
<b>Low</b>		<b>\$26,500</b>	<b>\$40,500</b>	<b>\$38,000</b>
<i>% Change</i>			53%	(6%)

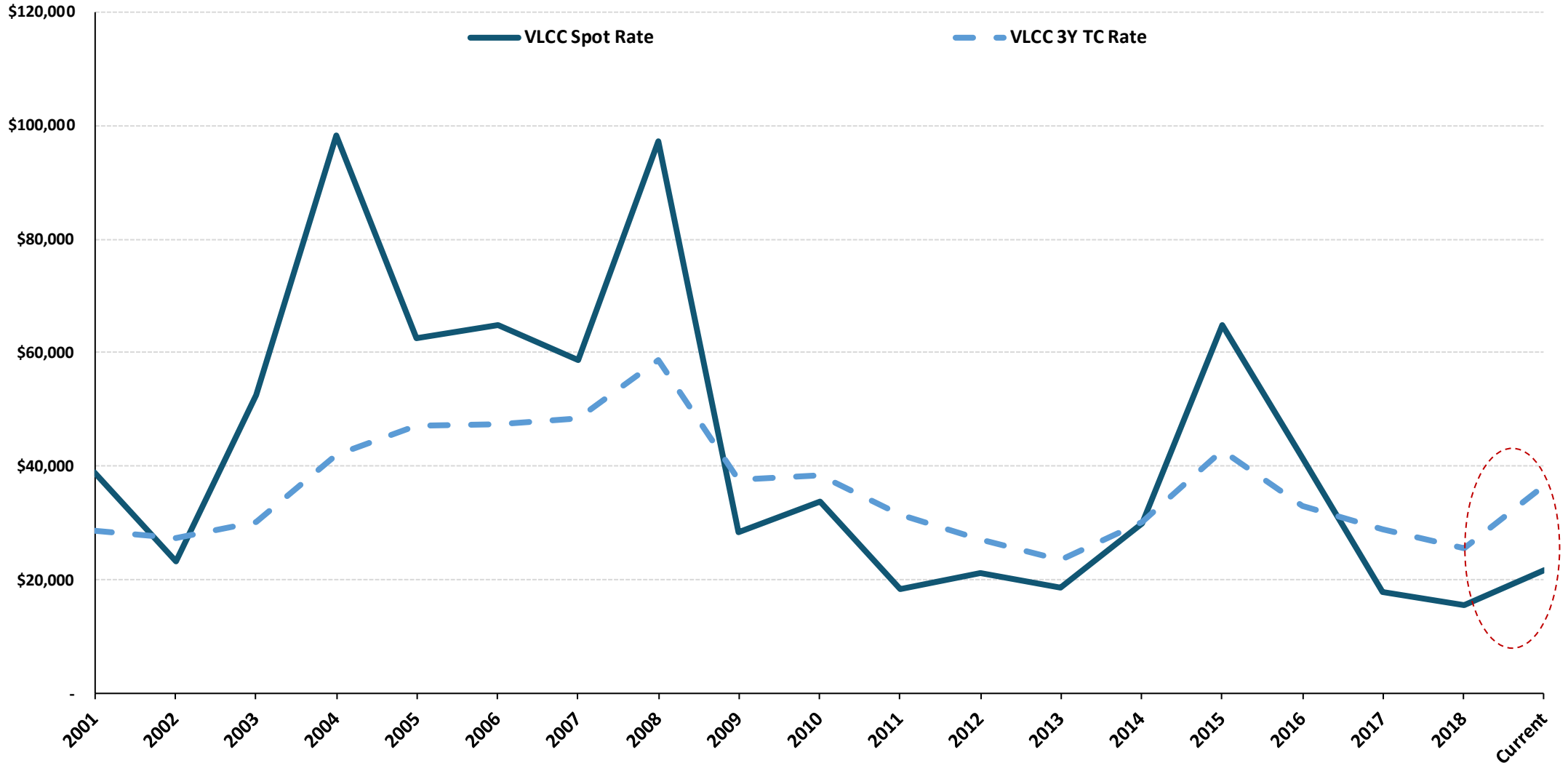


# Charterers (“smart money”) also anticipating stronger tanker market



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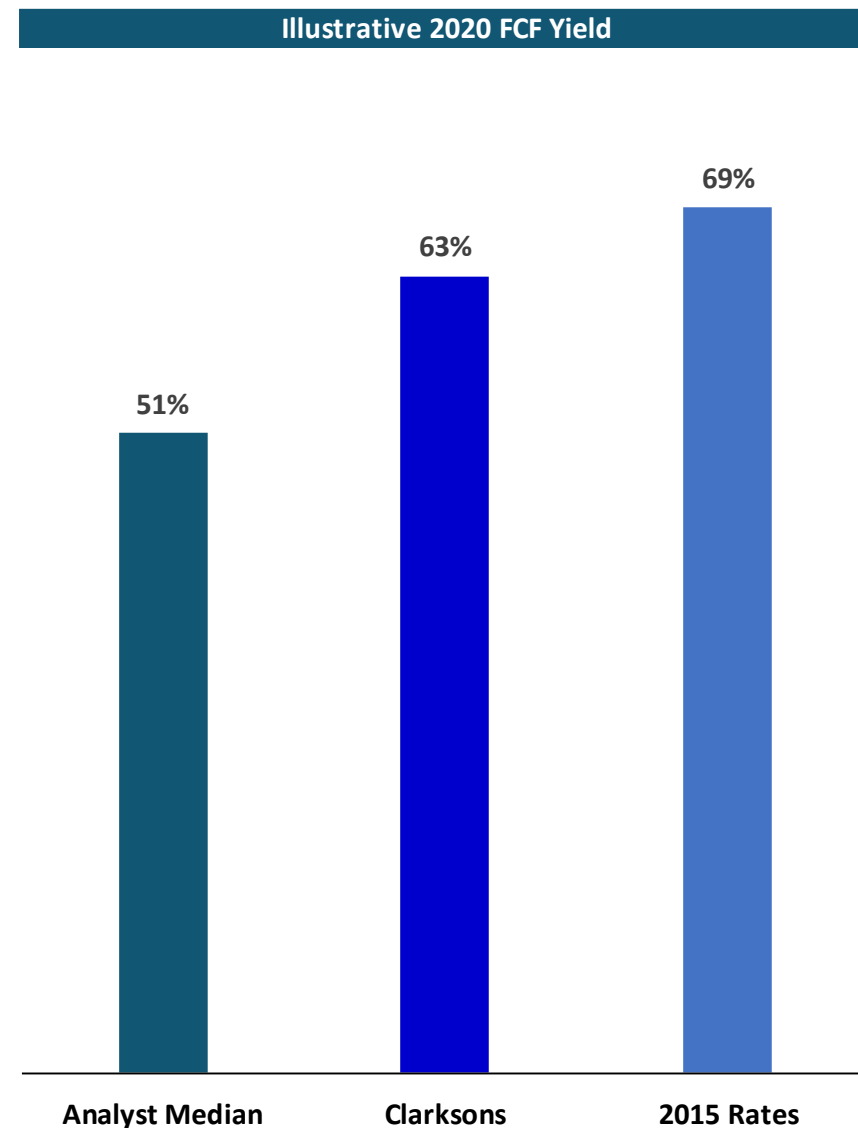
VLCC Spot & 3-Year Timecharter Rates (\$/Day)





# Illustrative OET 2020 Free Cash Flow Sensitivity

Illustrative 2020 FCF Sensitivity	Unit	Analyst Median	Clarksons	2015 Rates
<b>Spot TCE rate assumptions (exc. Eco + Scrubber effect)</b>				
VLCC	\$/day	\$50,000	\$65,000	\$66,100
Suezmax	""	\$37,500	\$42,000	\$46,800
Aframax	""	\$30,000	\$33,000	\$38,000
<b>TCE Revenue (inc. 100% Eco + Scrubber effect)</b>	<b>\$MM</b>	<b>\$264</b>	<b>\$295</b>	<b>\$308</b>
Less: Vessel opex	""	(41)	(41)	(41)
Less: G&A expense	""	(3)	(3)	(3)
<b>EBITDA</b>	<b>""</b>	<b>\$219</b>	<b>\$251</b>	<b>\$264</b>
Less: Interest expense (Libor = 2.5%)	""	(47)	(47)	(47)
Less: Debt repayment	""	(45)	(45)	(45)
Less: Maintenance capex	""	(1)	(1)	(1)
<b>Free Cash Flow to Equity</b>	<b>""</b>	<b>\$127</b>	<b>\$158</b>	<b>\$171</b>
<b>Market Cap as of June 3, 2019</b>	<b>""</b>	<b>\$250</b>	<b>\$250</b>	<b>\$250</b>
<b>Free Cash Flow Yield</b>	<b>%</b>	<b>51%</b>	<b>63%</b>	<b>69%</b>



Key Assumptions	Calculation	VLCC	Suezmax	Aframax
Vessel opex inc. management fee (\$/day)		\$7,650	\$7,250	\$7,500
Sailing Days	A	290	265	210
<b>Bunker Fuel Consumption (tons/day)</b>				
Korean/Japanese Non-eco	B	63	55	40
Korean/Japanese Eco	C	41	35	28
Incremental for Scrubber	D	3	2	2
Daily Eco fuel savings	E (B-C)	22	20	12
<b>Cal'20 Bunker Prices (\$/ton)</b>				
LS Gas Oil	F	\$595	\$595	\$595
HFO (Sing 380cst)	G	\$300	\$300	\$300
Spread	H (F-G)	\$295	\$295	\$295
Eco Daily TCE Savings	I (A*E*F / 365)	\$10,400	\$8,600	\$4,100
Scrubber Daily TCE Savings	J (A*C-D*H / 365)	\$8,900	\$7,100	\$4,400
<b>Eco + Scrubber Daily TCE Savings (Eco + Scrubber effect)</b>	<b>K (I+J)</b>	<b>\$19,300</b>	<b>\$15,700</b>	<b>\$8,500</b>





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*Thank You*

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