

Q2

Q2 2012 REPORT



CONTENTS

FINANCIAL INFORMATION

Highlights >

Consolidated condensed statement of comprehensive income >

Consolidated condensed statement of financial position >

Consolidated condensed cash flow statement >

Consolidated condensed statement of changes in equity >

Notes to the financial statements >

HIGHLIGHTS

KEY FIGURES

USD 1000	Q2 2012 (unaudited)	Q2 2011 (unaudited)	YTD 2012 (unaudited)	YTD 2011 (audited)
Gross freight revenue	3 173	18 080	6 447	38 479
Operating (TC) revenue	3 060	8 433	6 312	18 554
Operating profit (-loss) before depreciation (EBITDA)	1 986	4 164	3 508	9 392
Operating profit/(-loss) (EBIT)	1 982	-25 536	3 500	-24 189
Net profit/(-loss)	1 873	-26 758	3 255	-26 627
Basic and diluted earnings per share (USD)	0,02	-0,31	0,04	-0,31
Cash and cash equivalents	11 861			

RESULTS

Saga Tankers ASA reports a net profit for the second quarter 2012 of USD 1.9 million.

Gross freight revenues for the second quarter were USD 3.2 million. Operating revenues for the second quarter were USD 3.1 million.

EBITDA for the second quarter was USD 2.0 million.

Net financial items for the second quarter were USD (-0.1) million.

Earnings per share (EPS) for the second quarter were USD 0.02.

The average number of shares in the quarter was 86,777,409. As per the end of the period, the outstanding number of shares was 86,777,409.

The Company had zero off hire during the quarter, and Saga Agnes performed as normal according to its contract.

The Company's condensed unaudited financial statements for the second quarter of 2012 are enclosed.

FINANCING

The Company made no repayments on the Loan Facility during the quarter.

SUBSEQUENT EVENTS

Saga Agnes was redelivered to the Company from its Charterer on 27 July, and was subsequently delivered to its Buyer on 31 July. Please see note 5 enclosed herewith for further details.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this report may constitute forward-looking statements. The forward-looking statements in this report are based on various assumptions, many of which are based upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult to predict and beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Oslo, 13 August 2012

The Board of Directors

Arne Blystad Brita Eilertsen
Chairman Board member

Per Ola Baalerud
Board member

Fredrik Platou, CEO

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the financial statements for the period 1 January 2012 to 30 June 2012 have been prepared in accordance with IFRS, as adopted by the EU, and give a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations. Furthermore, we confirm that the Report of the Board provides a true and fair view of the development and performance of the business and the position of the Group and the Company, together with a description of the key risks and uncertainty factors that the Company is facing.

Oslo, 13 August 2012

The Board of Directors

Arne Blystad
Chairman

Brita Eilertsen
Board member

Per Ola Baalerud
Board member

Fredrik Platou
CEO



CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

<i>USD 1000</i>	Q2 2012	Q2 2011	YTD 2012	YTD 2011
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Gross freight revenues	3 173	18 080	6 447	38 479
Voyage related expenses	113	9 647	135	19 925
Operating TC revenues	3 060	8 433	6 312	18 554
Operating expenses vessels	649	3 483	1 412	7 612
General administrative expenses	425	786	1 391	1 550
Depreciation	4	3 890	9	7 771
Impairment	-	25 810	0	25 810
Operating expenses	1 078	33 968	2 812	42 743
Operating profit/(-loss)	1 982	-25 536	3 500	-24 189
Interest income	-	-	0	1
Interest expense	-100	-1 041	-228	-2 103
Other financial items)	-9	-181	-18	-335
Net financial items	-109	-1 222	-245	-2 437
Profit/(-loss) before tax	1 873	-26 758	3 255	-26 627
Taxes	-	-	-	-
Net profit/(-loss)	1 873	-26 758	3 255	-26 627
Other comprehensive income	-	-	-	-
Total comprehensive income	1 873	-26 758	3 255	-26 627
Basic and diluted earnings per share (USD)	0,02	-0,31	0,04	-0,31
Average number of shares in the period	86 777 409	86 777 409	86 777 409	86 777 409
Number of shares outstanding at period end	86 777 409	86 777 409	86 777 409	86 777 409

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

<i>USD 1000</i>	30.06.2012	31.12.2011
	<i>(Unaudited)</i>	<i>(Audited)</i>
ASSETS		
Non-current assets		
Vessels and other assets	51	60
Total non-current assets	51	60
Current assets		
Trade receivables	62	924
Other current assets	259	297
Cash and cash equivalents	11 861	16 831
Total Current assets	12 183	18 053
Assets of disposal group classified as held for sale (note 3)	30 762	30 827
TOTAL ASSETS	42 996	48 941
EQUITY AND LIABILITIES		
Equity		
Share capital	14 620	14 620
Share premium	7 498	7 498
Other Equity	141 327	141 327
Accumulated losses	-132 827	-136 082
Total equity	30 618	27 363
Non-current liabilities		
Net pension liabilities	251	206
Total non-current liabilities	251	206
Current liabilities		
Current portion of long-term debt	11 400	19 800
Other current liabilities and accruals	727	1 571
Total current liabilities	12 127	21 371
TOTAL EQUITY AND LIABILITIES	42 996	48 941

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

<i>USD 1000</i>	YTD 2012	YTD 2011
	<i>(Unaudited)</i>	<i>(Audited)</i>
Profit before tax	3 255	-26 627
Interest income	0	-1
Interest expenses	228	2 103
Depreciation	9	7 771
Impairment charge	0	25 810
Loss sale fixed asset	0	0
Increase/decrease Inventories	65	466
Increase/decrease receivables and prepayments	848	2 821
Increase/decrease payables and accruals	-844	-1 289
Pension liability	45	-
Increase/decrease other provisions	52	-7 306
Net cash flow from operating activities	3 658	3 748
Investments in tangible fixed assets	-	-624
Proceeds from sale of vessel	-	-
Net cash flow from investing activities	-	-624
Proceeds from long term borrowings	-	-
Repayments of long term borrowings	-8 400	-8 211
Payments of interest expenses	-228	-2 102
Interest income	-	-
Proceeds from issuance of shares	-	-
Repayments of equity	-	-
Net cash flow from financing activities	-8 628	-10 313
Effects of exchange rate changes on cash	-	-
Net change in cash and cash equivalents	-4 970	-7 189
Cash and cash equivalents at beginning of period	16 831	25 190
Cash and cash equivalents at end of period	11 861	18 002

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Q2 2012 (Unaudited)					
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Total
Equity as at 1 January 2012	14 620	7 498	141 327	-136 082	27 363
Net profit/(-loss)	-	-	-	3 255	3 255
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3 255	3 255
Equity per ending balance 30 June 2012	14 620	7 498	141 327	-132 827	30 618
Q2 2011 (unaudited)					
<i>USD 1000</i>	Issued capital	Share premium	Other equity	Accumulated losses	Total
Equity as at 1 January 2011	14 620	7 498	141 327	-5 085	158 360
Net profit/(-loss)	-	-	-	-26 627	-26 627
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-26 627	-26 627
Equity per ending balance 30 June 2011	14 620	7 498	141 327	-31 712	131 733

NOTES

NOTE 1 – BASIS FOR PREPARATION

The Company's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as approved by the EU and requirements in the Norwegian Securities Trading Act. This condensed interim financial statement for the second quarter is adopted by the Board of Directors on 13 August 2012.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those presented in the Annual Report of 2011.

None of the new accounting standards or amendments that came into effect from 1 January 2012 has had a significant impact during 2012.

NOTE 2 – VESSELS, IMPAIRMENT CHARGES AND OTHER ASSETS

<i>USD 1000</i>	Other assets	Total
Acquisition cost, 1 January 2012	88	88
Acquisition of assets	-	-
Acquisition cost, ending balance 30 June 2012	88	88
Accumulated depreciation, 1 January 2012	-28	-28
Depreciation	-8	-8
Accumulated depreciation, ending balance 30 June 2012	-36	-36
Net carrying amount, ending balance 30 June 2012	52	52

NOTE 3 – ASSETS HELD FOR SALE

	Saga Agnes	Total
Q2 2012		
Bunkers and lubes	260	260
Carrying amount assets held for sale	30 502	30 502
Total assets held for sale 30/6-12	30 762	30 762
Q1 2012		
Bunkers and lubes	344	344
Carrying amount assets held for sale	30 502	30 502
Total assets held for sale 31/3-12	30 846	30 846

The parent company's wholly-owned subsidiary Saga Agnes AS entered in 2011 into an agreement for the sale of its 2000-built VLCC "Saga Agnes". The sale of "Saga Agnes" was approved at the Company's extraordinary general meeting in November 2011. The sales price is USD 30.5 million net plus the value of bunkers and lubes. The buyer deposited 15% of the purchase price on a joint account held by DNB ASA in London. The deposit has not been included in the company's balance sheet.

The sale of the vessel was completed on 31 July 2012. Please see Note 5 – "Subsequent events".

NOTE 4 – OPERATING SEGMENTS

The Company operates one type of vessel, VLCC. For management purposes, the Company's business is not organized into separate operating segments and hence only has one reportable operating segment which is in line with the consolidated figures presented in this report. Group financing is also monitored on a Group basis.

NOTE 5 – SUBSEQUENT EVENTS / COMPLETED SALE OF VESSEL

The Charterer of the vessel MT Saga Agnes ("Saga Agnes") redelivered the vessel from its contract to the Company on 27 July 2012. As per the contract, the Company is liable to pay for the remaining bunkers onboard the vessel at the time of redelivery, approx. USD 1.4 million.

After redelivering the vessel to the Group, the Charterer raised a claim of about USD 2 million towards Saga Agnes AS, a subsidiary of the Company.

Saga Agnes AS, a subsidiary of the Company, completed the sale of "Saga Agnes" and delivered the vessel to its new owners on 31 July 2012. The sales proceeds, after repayment of the remaining bank loan as illustrated below, has been applied to increase the Company's cash position in the third quarter.

The Company has now completed the sale of all significant assets.

Sale of Saga Agnes	USD 1000
Gross sales price	31 125
Bunkers and lubes	1 608
Miscellaneous	5
Commissions	-623
Loan repayment	-11 400
Bank fee	-4
Net cash to the company	20 711

NOTE 6 – 20 LARGEST INVESTORS

	NAME	29.06.2012
1	SPETALEN	25,32 %
2	UBS AG, LONDON BRANCH	19,89 %
3	BLYSTAD SHIPHOLDING INC	13,22 %
4	AKER PENSJONSKASSE	11,84 %
5	SPENCER ENERGY AS	9,47 %
6	SPENCER TRADING INC.	7,59 %
7	CARNEGIE ASA	1,11 %
8	FRAM SHIPPING LTD	0,73 %
9	AVANZA BANK AB	0,70 %
10	UNION TANKERS AS	0,46 %
11	MORGAN STANLEY & CO LLC	0,38 %
12	SIRIUS SECURITIES AS	0,37 %
13	ASTRUP FEARNLEY A/S	0,36 %
14	NORDSTJERNEN AS	0,35 %
15	GLASTAD INVEST AS	0,35 %
16	T SANDVIK AS	0,34 %
17	KOLBERG	0,31 %
18	KOLBERG MOTORS AS	0,31 %
19	SKIBS AS ABACO	0,30 %
20	MOUNT AIRY SHIPPING & TRADING LTD	0,24 %
	TOTAL	93,65 %

SAGA TANKERS ASA

+47 23 11 82 70

P.O. Box 1468 Vika

Norway

INVESTOR RELATIONS

Phone: +47 23 11 82 74

e-mail: management@sagatankers.no

www.sagatankers.com