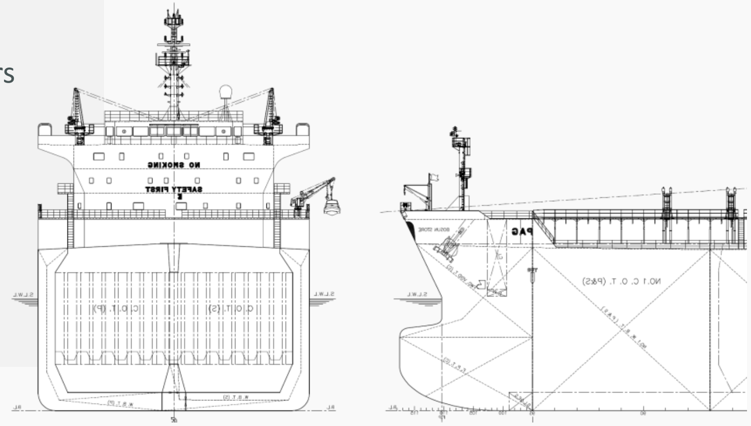
TNG

ZSE INVESTORS CONFERENCE 2018

About us

- Incorporated in August 2014
- IPO & SPO in H1 2015
- Full fleet capacity in December 2015
- 6 modern MR product tankers
- Dividend payout from 2015 & 2016 profits
- Transparency 2016 IR award
- Long term relationships with key customers
- Lean structure
- International operations
- Secular industry trends



TNG strategy

Commercial efficiency

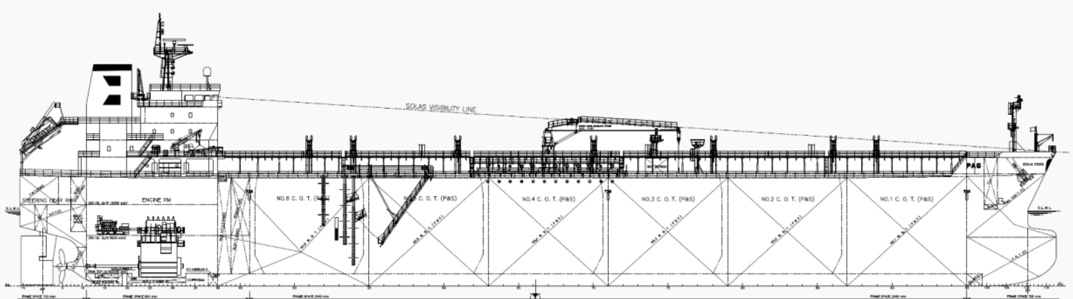
TNG operates a fleet of 6 modern MR product tankers. The fleet has an average age of 3.7 years which is well under industry standards; 4 ECO vessels which significantly reduce fuel consumption and 2 ICE class vessels which can operate in icy waters and realize a premium during winter time.

Sustainable operations

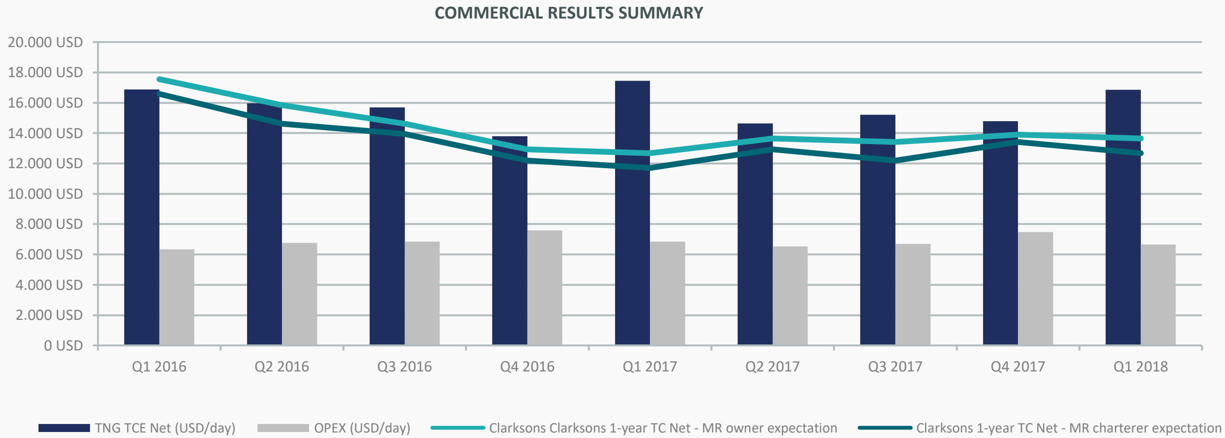
TNG boosts cash flow and profitability through outsourcing most of the management functions improving measurability and cost competitiveness to keep its flexible and simple organizational structure without realizing significant additional overheads.

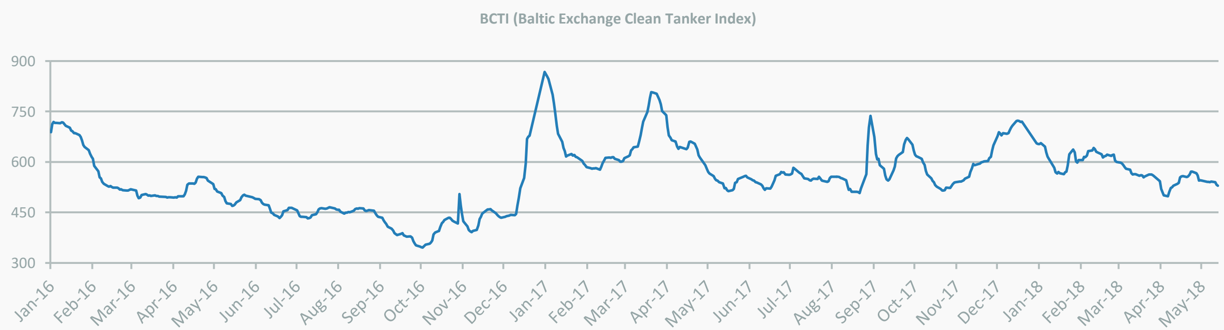
Growth opportunities

Focus on the development of the fleet, and the acquisition and management of vessels in the product tanker segment, focusing on product tankers of medium capacity, which are the main labor force in the petroleum derivatives market.



Commercial results



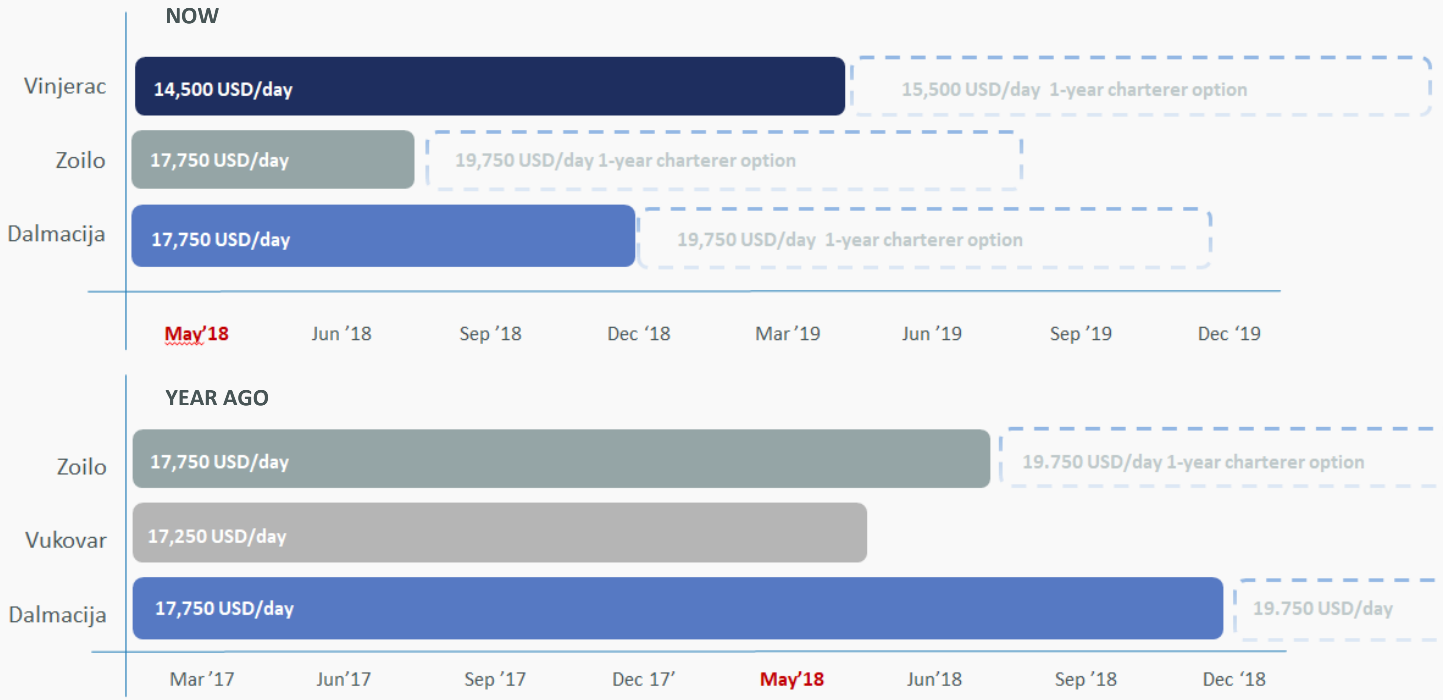


TNG fleet continuously outperforms the market

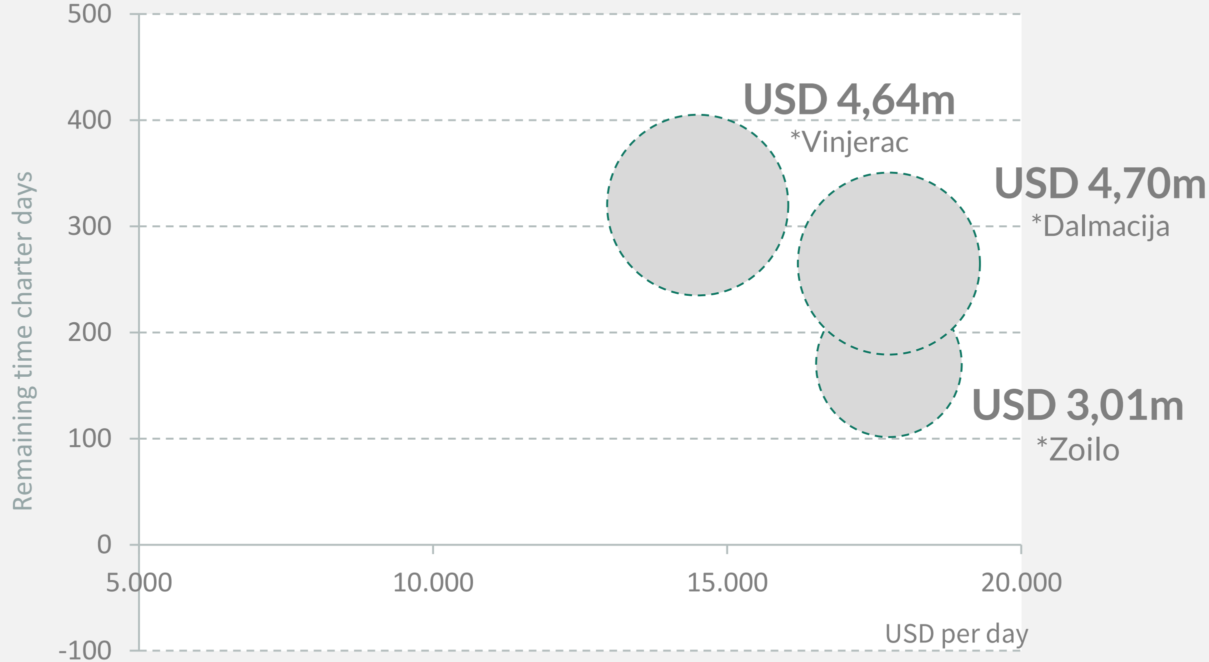
- TCE net rate of the vessels during 2017 recorded at 15,525 USD/day
- TCE net rate of the vessels during 2016 recorded at 15,583 USD/day
- TCE net rate of the vessels during Q1 2018 recorded at 16.854 USD/day

- OPEX per vessel in 2017 recorded at 6.891 USD/day
- OPEX per vessel in 2016 recorded at 6.885 USD/day
- OPEX per vessel in Q1 2018 recorded at 6.665 USD/day

Time charter employment



Time charter employment



* Anticipated total revenue during vessels' time charter contract

Employment strategy

TNG's strategy is to secure employment for the fleet by contracting multi-year time charter arrangements in order to maintain the predictability of revenue.

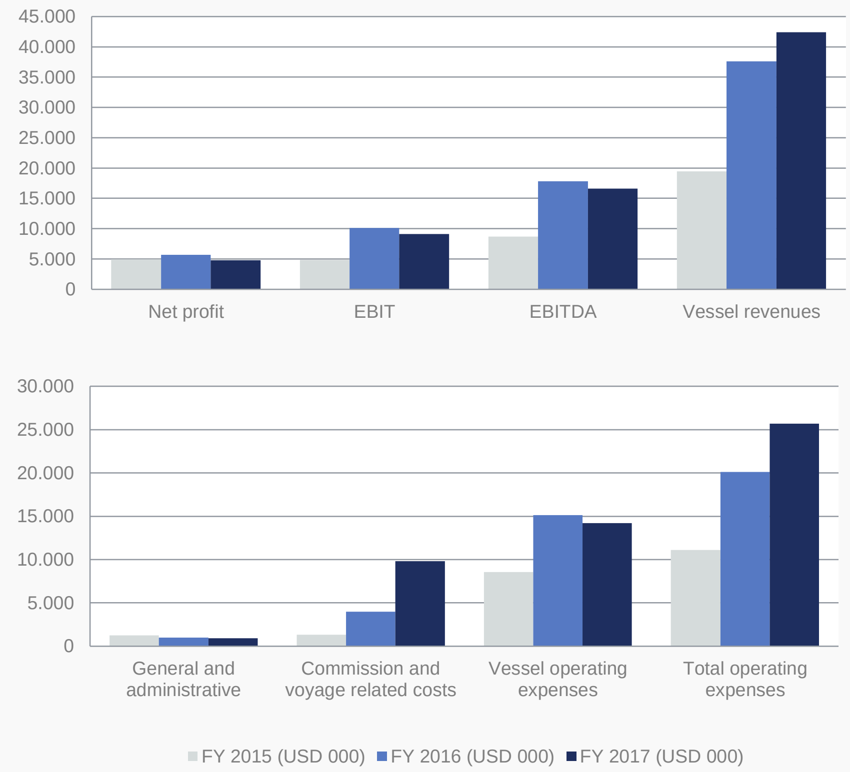
However, if the market creates favorable conditions, management may decide to charter ships on spot voyages and thus further enhance the company's business and financial operations.

FY 2017 - Profitability kept in challenging market conditions

Results for 12 months of 2017 (audited):

Vessel revenues:	USD 42.4 million
EBITDA:	USD 16.6 million
EBIT:	USD 9.1 million
Net profit:	**USD 4.8 million**
Total operating expenses:	USD 25.7 million
Vessel operating expenses:	USD 14.2 million
Comm. & voyage related expenses:	USD 9.8 million
General and administrative:	USD 0.9 million

- *Increase in vessel revenues and voyage related expenses due to more activity on the spot market*
- *Vessel operating expenses kept at the same level, G&A constantly reduced*



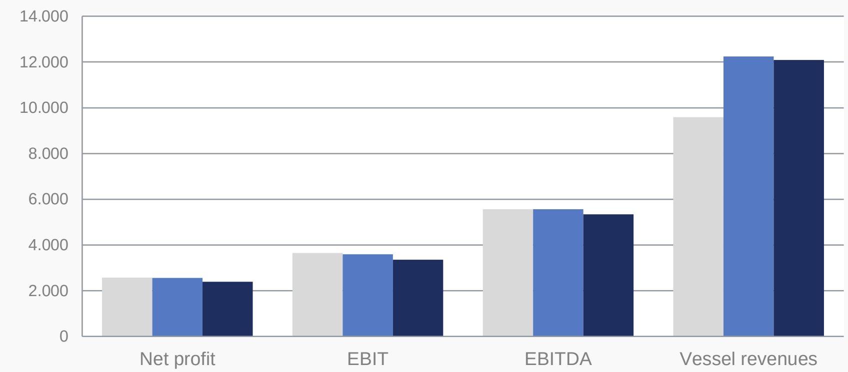
Q1 2018 – growing profitability in first three months

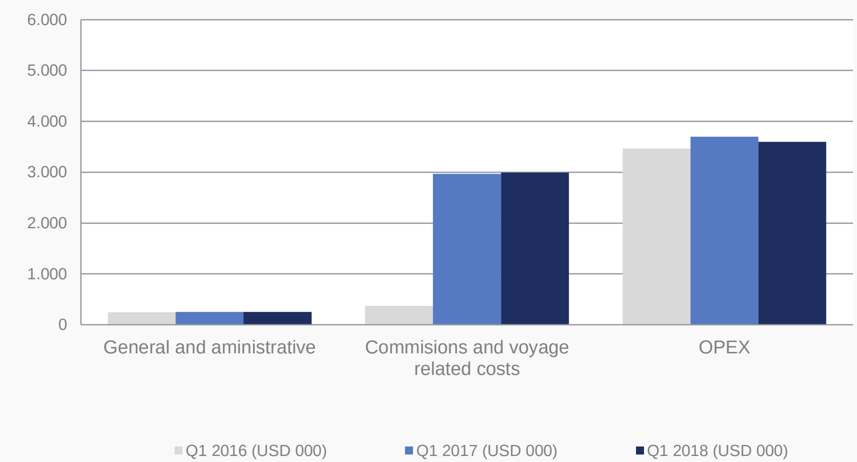
Results for the first 3 months of 2018 (unaudited):

Vessel revenues:	USD 12.1 million
EBITDA:	USD 5.3 million
EBIT:	USD 3.4 million
Net profit:	**USD 2.4 million**

Total operating expenses	USD 6.8 million
Vessel operating expenses:	USD 3.6 million
Commision and voyage related costs:	USD 3.0 million
General and administrative:	USD 0.2 million

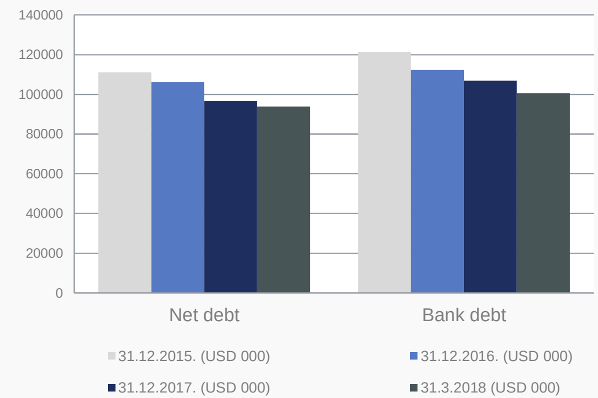
- ***Average TCE daily net rate*** *for Q1 2018 amounted 16,854 USD* ***8,5% growth*** *in comparison to FY 2017*
- *OPEX 6.665 USD – moderately reduced in comparison to the last year's result*



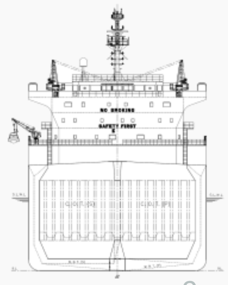


Strong financial position with reducing debt

FINANCIAL POSITION SUMMARY	31 Dec 2015 (USD 000)	31 Dec 2016 (USD 000)	31 Dec 2017 (USD 000)	31 Mar 2018 (USD 000)
Bank debt	121,300	112,319	106,938	100,592
Cash and cash equivalents	10,221	6,126	10,174	6,798
Net debt	111,079	106,193	96,764	93,794
Gearing ratio Net debt / (Capital and reserves + Net debt)	55%	53%	50%	49%



- **Bank debt continuously reduced**
- The gearing ratio by the end of 2017 decreased by 4 basis points in comparison to the end of 2016
- This decreasing debt trend is in accordance with the loan repayment plans of TNG and regular decrease in indebtedness, and a further decrease in company's debt is expected in the future.
- Strong liquidity position kept despite dividend payments in 2016 & 2017

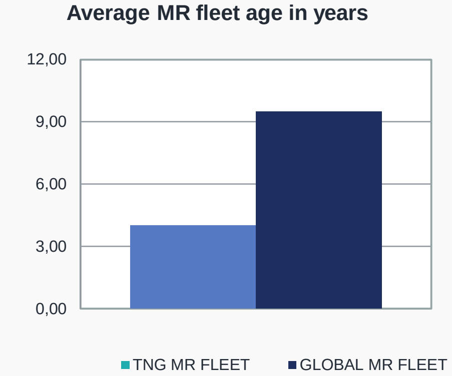


TNG fleet vs world fleet

Vessel	Capacity (dwt)	Year built	Vessel type	Employment	Hire rate (USD)
Velebit	52,554	Q2 2011	ICE class MR	SPOT market	Voyage charter
Vinjerac	51,935	Q4 2011	ICE class MR	Clearlake Time charter	14,500 (from Q2 2018)
Vukovar	49,990	Q2 2015	ECO design MR	Scorpio Time charter	SPOT
Zoilo	49,990	Q3 2015	ECO design MR	Trafigura Time charter	17,750 (until Q3 2018)
Dalmacija	49,990	Q4 2015	ECO design MR	Trafigura Time charter	17,750 (until Q4 2018)
Pag	49,990	Q4 2015	ECO design MR	SPOT market	Voyage charter

World MR2 fleet as of May 2018, source: Banchero costa research

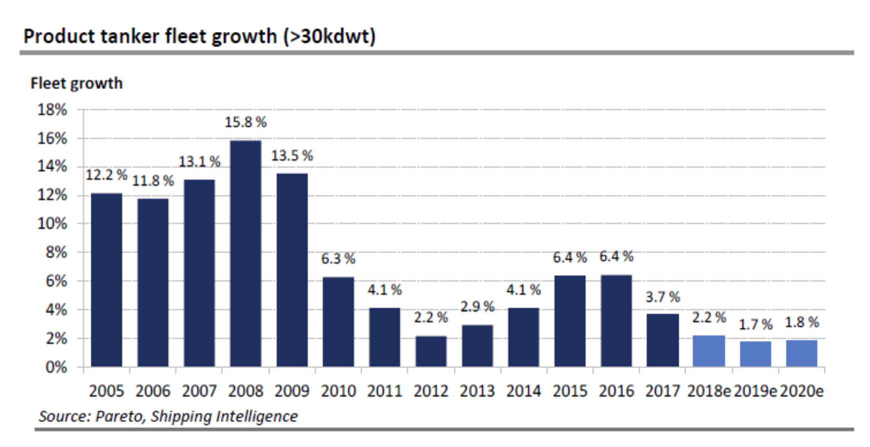
World MR2 fleet 1525 units	**25+ yrs**	**20-24 yrs**	**15-19 yrs**	**10-14 yrs**	**5-9 yrs**	**0-4 yrs**	**Total orderbook**
MR2 no. of units	22	78	158	455	448	364	132
% of fleet	1%	5%	10%	30%	29%	24%	*8%*

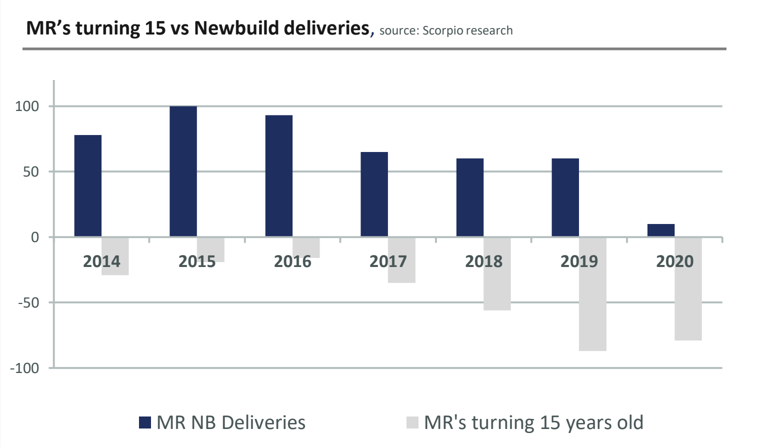


- TNG's MR fleet is well under industry standards with average age of **4 years per vessel**
- There is significantly more MRs above the age of 15 than what is on order **(258 > 132)**
- Key oil majors and trades have a preference for ECO vessels, and will not employ vessels older than 15 years

MARKET ENVIRONMENT

MR supply decelerating





Net fleet growth is below 2% per year going forward

1st time more MR's will turn 15 yrs then it will be delivered

MR2 product tanker supply is still significantly decelerating; 64 new build units delivered, 14 vessels scrapped during 2017

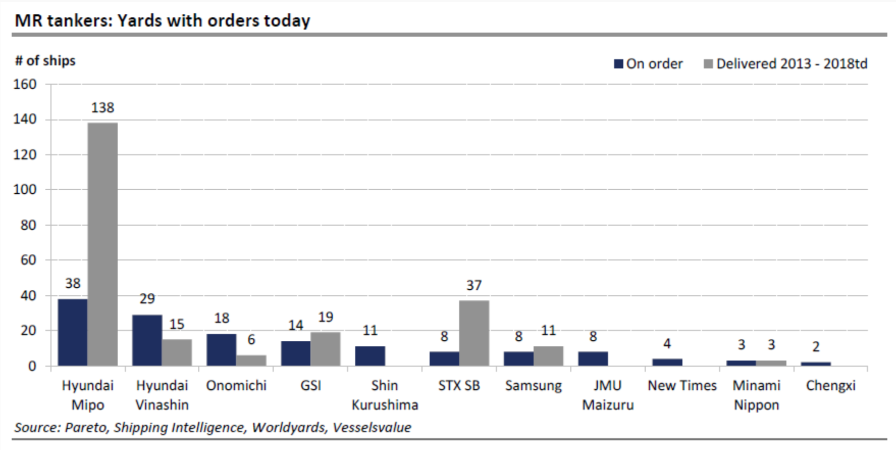
Comparing these numbers to the 2016 when a total of 93 new units were delivered, this is a significant slowing down in supply.

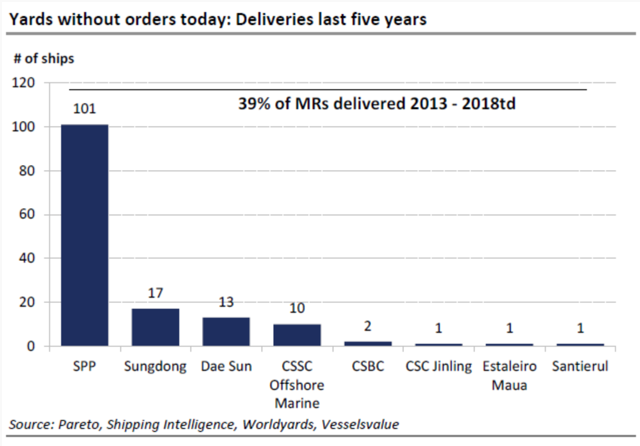
In the first 4 months of 2018 we recorded the delivery of 13 MR2s and demolition of 6 MR2s

Strong decrease in deliveries compared to the same period of 2017 (-55 percent)

Data source: Banchero Costa

MR tanker shipyards closing down





Less shipyard capacity for MR's

SPP – which delivered 101 MRs between 2013 and 2017 – **shut down**

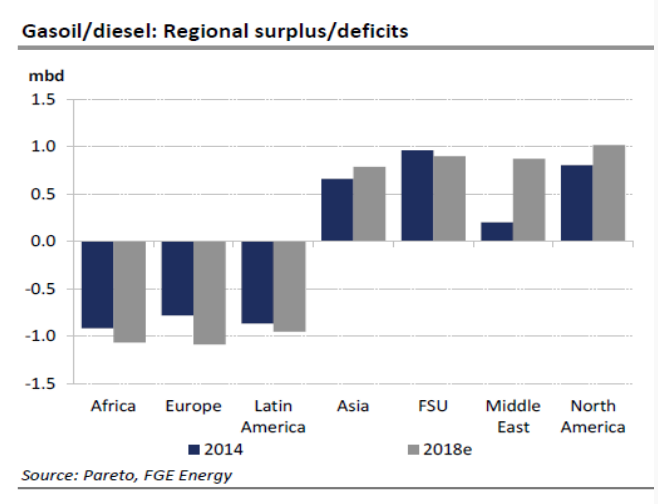
Sungdong – which has delivered 17xMRs since 2013, has now been taken over by Samsung and has **no product tanker on order**

These two yards actually have an MR market share of 31% over the last five years

Changing refinery landscape

Country	Refinery	Year	Capacity mbd
Global oil products supply driven by 9 new refineries:			
Iran	NIORDC – Persian gulf star	3q 2017	155
China	CNOOC – Huizhou	3q 2017	150
China	Petrochina - Kunming	3q 2017	120
India	BPCL - Kochi	4q 2017	85
Turkey	SOCAR – Izmir	2q 2018	80
Saudi Arabia	Saudi Aramco - Jizan	3q 2018	80
Egypt	ERC - Cairo	1q 2018	60
FSU	New stream - Antipinsky	4q 2017	45
Kazkhstan	Kazmunaigas - Manigstau	1q 2018	45
		New refinery capacity 2018	**820**
		New refinery capacity 2017	**415**

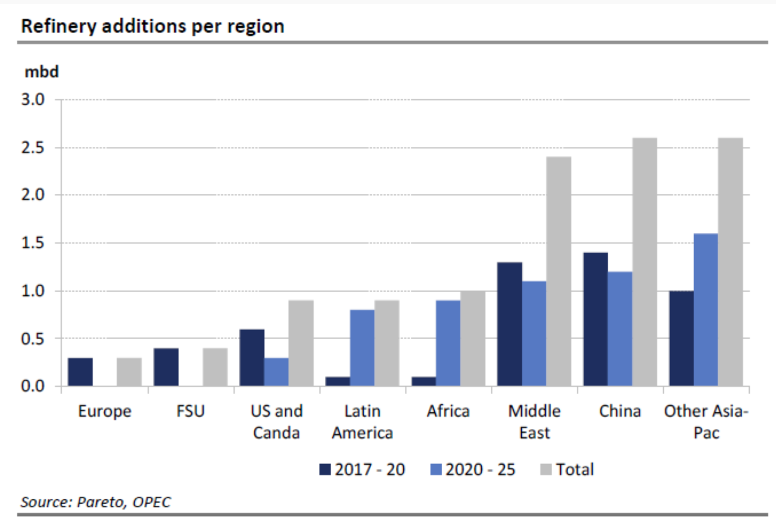
Increase in refinery capacity additions has doubled in 2018



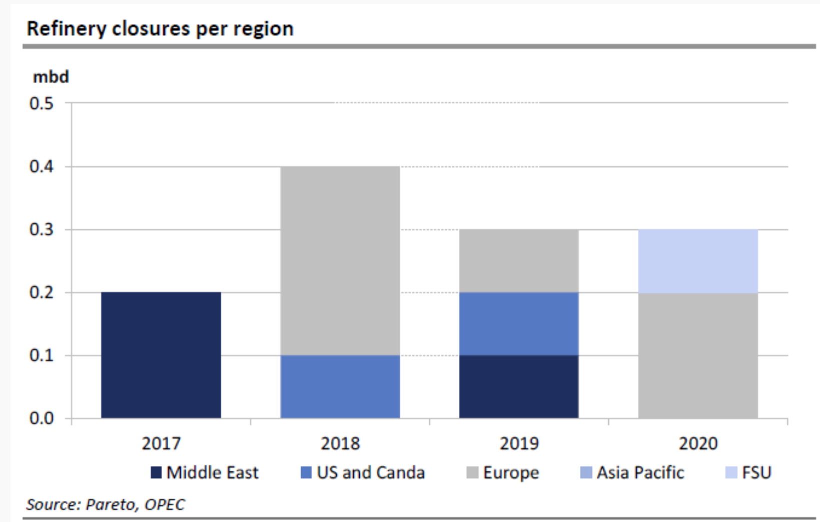
- Structural shift in refinery locations, expansion of refining capacity in Asia and Middle East as well as a reduction in OECD refining capacity

- OPEC expects a total net closure level of ~2.5mbd closed down through 2025, with 2018 – 20 once again expected to be main years.

Refinery additions and closures



- Driven by China and the Middle East we are set to see **~1.3mbd+ per year** over the coming few years. Versus underlying demand growth this means that a considerable surplus will be built, which means that export volumes should continue to ramp up.

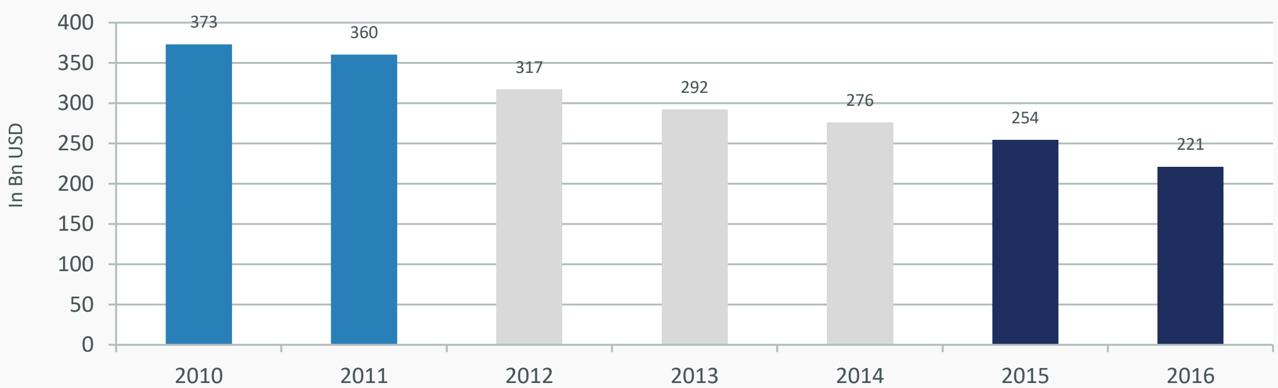


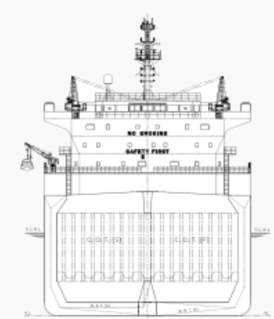
- Older refinery capacity in OECD territory outside of the US are phased out as they struggle to compete with the cheaper feedstock of the North American facilities and the efficiencies of the newer plants in Asia/Middle East.

Ship financing becoming more restrictive

- Around USD 94bn withdrawn from shipping sector 2010-2016, USD 152bn withdrawn from European banks
- Quantum of available lending capital restricted for commercial reasons
- Low order books in all shipping segments leading to ship yard distress
- Reforms being actively adopted by shipyards driven by governments
- Bank withdrawal from ship finance is structural

European banks - shipping loan portfolio in USD billions





TNG

REGULATORY ENVIRONMENT

Ballast water treatment system

The Ballast Water Convention of the IMO

entered into force on September 8, 2017, while at the last IMO meeting, a postponement of implementation was granted for a certain part of the existing fleet.

After September 2017, the approved ballast water treatment system will have to be installed by the time when it is necessary to renew the International Oil Pollution Prevention (IOPP) certificate, which for TNG means that the systems will be installed on vessels following a five-year drydock cycle that should start from the end of 2019, depending on the binding deadlines and future business conditions.

The ballast water treatment system actively removes, kills or deactivates reproduction systems of organisms in ballast waters before returning them to the ecosystem.

Expected cost of deployment can range from USD 500,000 to USD 1 mil. per ship depending on the preparation and existing ship installations.

Sulphur emission regulation

IMO sulphur emission regulations

on reduction in sulphur emissions from 3.5% currently to 0.5% enter into force from the beginning of 2020.

Options for the ship owners:

- Scrubber installation to be able to continue using HFSO; or
- Switch to more expensive MGO with a sulphur content < 0.5%

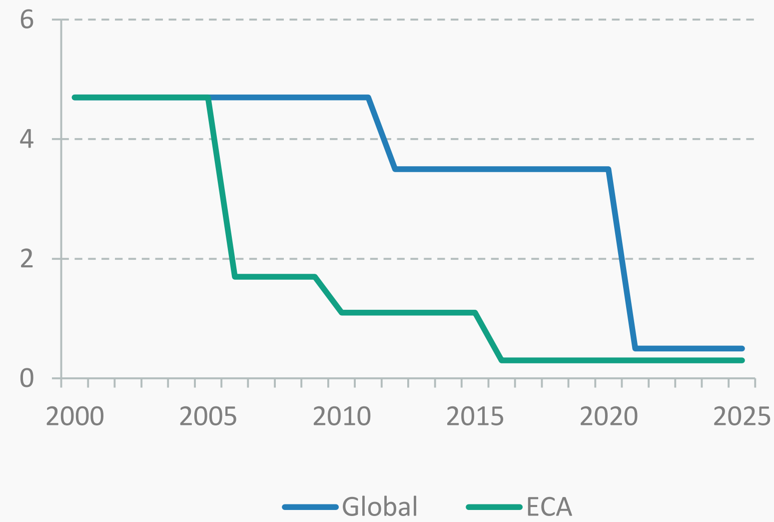
Refineries producing HSFO in Russia, Mexico, Venezuela, Iraq, and Iran are unlikely to have enough capital for upgrades.

Blending of gasoil with diesel to meet emissions requirements would increase global diesel demand, and subsequently demand for product tankers.

May lead to increased scrapping of older tonnage where installation exceeds the scrap value.

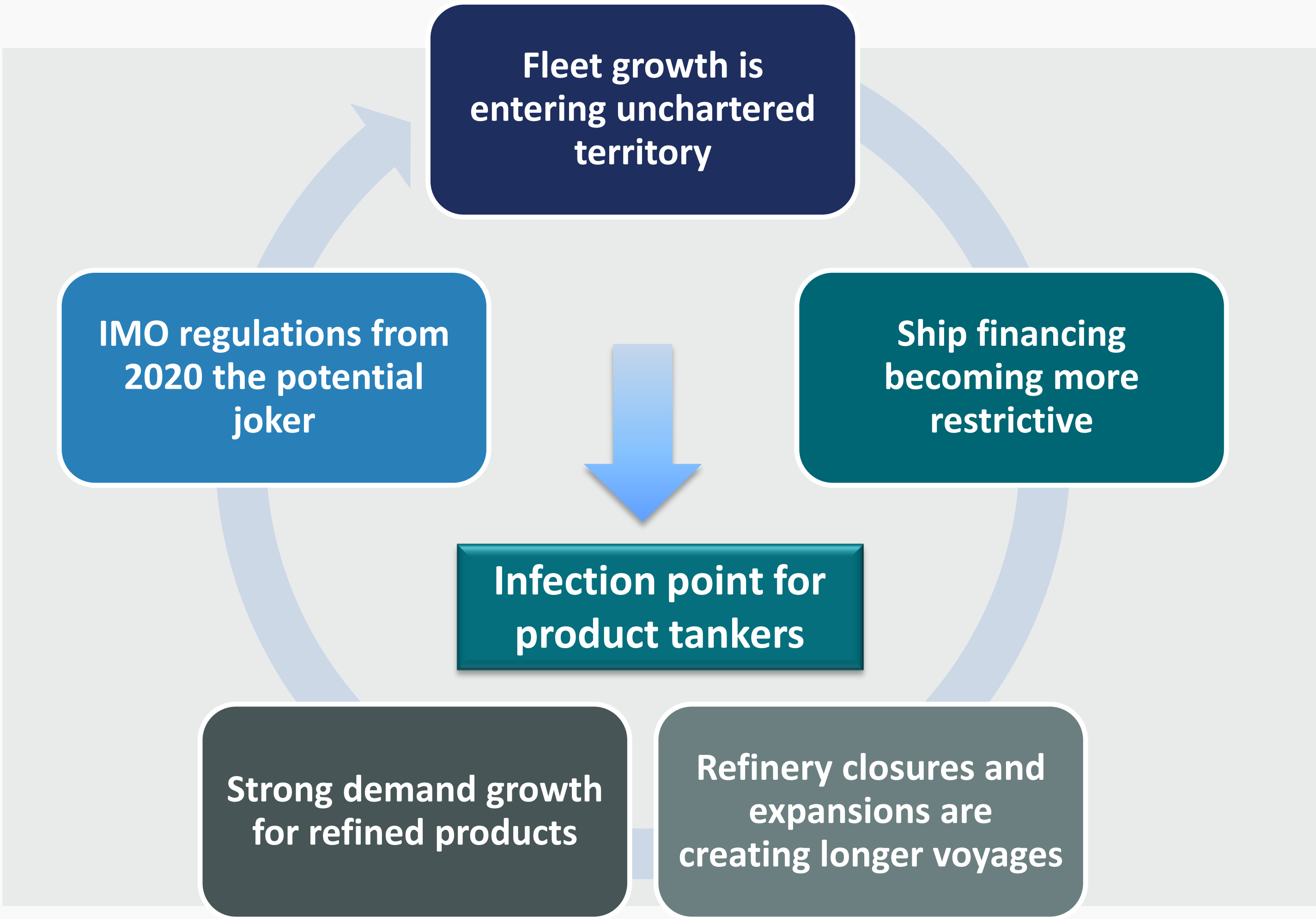
Modern eco designed ships have a competitive advantage over older tonnage through lower fuel consumption

MARPOL Sox Emissions Timeline (%)



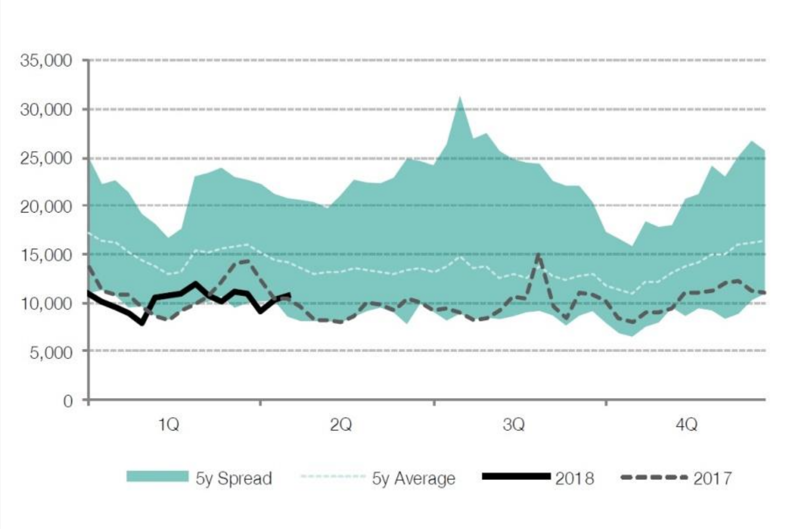
TNG

CONCLUSION


Fleet growth is entering unchartered territory
Ship financing becoming more restrictive
Refinery closures and expansions are creating longer voyages
Strong demand growth for refined products
IMO regulations from 2020 the potential joker
Infection point for product tankers

Product tanker market nearing inflection point

MR day rates USD/day



- Increased global refinery throughput
- Reduced inventory levels and regional inventory imbalances
- Expected increased activity levels over the next 12 months
- Product tanker demand growth to accelerate from 3.6% in 2017 to 3.8% in 2018
- Product tanker fleet growth should contract from 3.7% in 2017 to 2.2% in 2018
- Time charter rates have increased more than 10% during the past few months

Sources: ABN chart book, April 2018,
Seaport Global Securities , Industry update, January 2018

Cautionary note regarding forward-looking statements

Certain statements in this document are not historical facts and are forward-looking statements. They appear in a number of places throughout this document. From time to time, the Group may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking statements include statements concerning the Group's plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditure, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends which the Group anticipates in the industries and the political and legal environment in which it operates and other information that is not historical information.

Words such as „believe“, „anticipate“, „estimate“, „expect“, „intend“, „predict“, „project“, „could“, „may“, „will“, „plan“ and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

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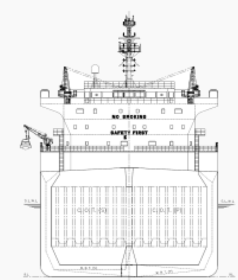

Any Questions?

We'd be happy to answer any of your queries. Please refer to **www.tng.hr/en/investors** or simply contact us by:

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