

International Seaways, Inc.

International Seaways, Inc.

October 2020

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Disclaimer

Forward-Looking Statements

During the course of this presentation, the Company (International Seaways, Inc. (INSW)) may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Some of these statements include words such as ‘‘outlook,’’ ‘‘believe,’’ ‘‘expect,’’ ‘‘potential,’’ ‘‘continue,’’ ‘‘may,’’ ‘‘will,’’ ‘‘should,’’ ‘‘could,’’ ‘‘seek,’’ ‘‘predict,’’ ‘‘intend,’’ ‘‘plan,’’ ‘‘estimate,’’ ‘‘anticipate,’’ ‘‘target,’’ ‘‘project,’’ ‘‘forecast,’’ ‘‘shall,’’ ‘‘contemplate’’ or the negative version of those words or other comparable words. Although they reflect INSW’s current expectations, these statements are not guarantees of future performance, but involve a number of risks, uncertainties, and assumptions which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to, vessel acquisitions, general economic conditions, competitive pressures, the nature of the Company’s services and their price movements, and the ability to retain key employees. The Company does not undertake to update any forward-looking statements as a result of future developments, new information or otherwise.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, including Time Charter Equivalent (“TCE”) revenue, EBITDA, Adjusted EBITDA, and total leverage ratios, designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. TCE revenues, which represents shipping revenues less voyage expenses, is a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net (loss)/income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. Total leverage ratios are calculated as total debt divided by Adjusted EBITDA. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See Appendix for a reconciliation of certain non-GAAP measures to the comparable GAAP measures.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

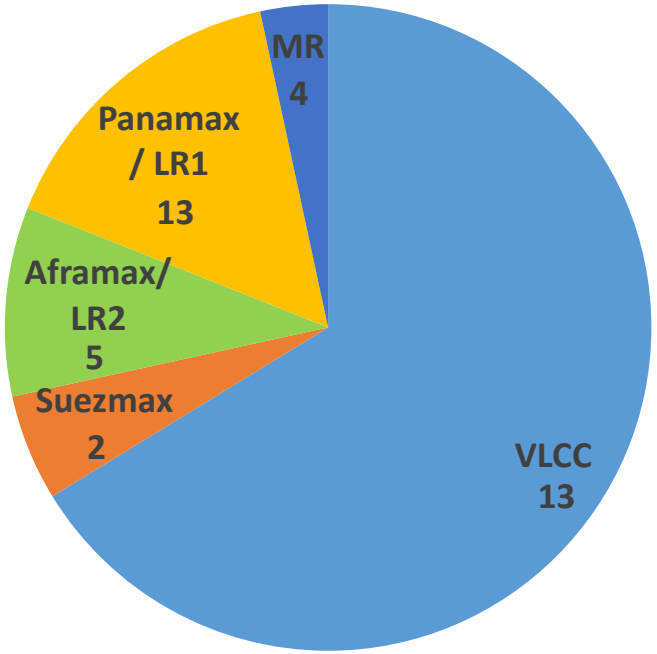
Additional Information

You should read the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, the Quarterly Report on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020, and other documents the Company has filed with the SEC for additional information regarding the Company, its operations and the risks and uncertainties it faces. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov, or from the Company’s website at www.intlseas.com.

Introduction to International Seaways (NYSE: INSW)

- Leading diversified tanker owner with significant presence in crude and product sectors
- 39 vessel fleet with balanced mix of contracted cash flows and spot market upside
- Renewed and upgraded fleet with $600m of acquisitions since Dec 2016 spin-off
- Installed scrubbers on 7 VLCCs to date with 3 more scheduled in 2021
- Approximate liquidity $184m (including $40m undrawn revolver) as of June 30, 2020
- Market cap $420m on October 6, 2020

Conventional Tanker Fleet – 37 Ships[1]



By Deadweight Tons

Joint Venture – 2 Ships

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FSO JV

2 Converted ULCCs

Lightering Operations

lightering llc

[1] Represents the number of vessels in each class as a percentage of the total fleet deadweight, as of September 1, 2020. Does not include JV vessels.

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Why Invest in International Seaways?

Disciplined Capital Allocator

- Invested $600 million, renewing fleet at bottom of cycle without issuing equity
- Sold non-core LNG joint venture for $123 million in cash
- Installing total of 10 scrubbers on our modern VLCCs – 7 installed to date
- Current Capital Allocation Priorities:
  - Deleverage – approx. $120m YTD 2020
  - Return cash to shareholders
  - $30 million shares repurchased YTD; additional $30 million authorized

Low Financial Leverage and Strong Balance Sheet

- Accomplished fleet upgrade while maintaining one of the industry's lowest leverage profiles
- Refinanced $390 million of debt in January 2020, saving an additional $15 million annually
- 34% Net Loan to Asset Value[1] at June 30

Significant Cash Flow Generation

- 37 tankers offer significant operating leverage to tanker market
- Every $5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides $67 million in incremental EBITDA and $2.38 EPS per annum
- LTM EBITDA of $287 million demonstrates upside potential

Best in Class Commercial and Technical Operations

- Best in class safety and environmental performance
- Sector leading commercial pools, many with INSW ownership
- New York representation in Tankers International VLCC pool

Industry Leader in ESG

- Majority independent and diverse board
- #1 tanker company in Webber Research ESG rankings three years running
- National Directors Institute Public Company Board of the Year - 2018

1 *Includes the value of INSW's equity interest in the FSO JVs at book value, which takes into account assets and liabilities at those entities*

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Coronavirus Update

COVID - 19 RESPONSE

- **Shoreside**
  - All New York and Houston Lightering office employees working remotely since March 16 and we will continue to evaluate our return based upon our highest priority, the safety of our staff
  - Full staff capabilities maintained
  - No delays in closing books nor SEC filings
- **Crewing**
  - Strict measures are in effect on all of our ships for the health and safety of our seafarers
  - Global travel restrictions are making crew changes exceptionally difficult
  - We are now deviating vessels where possible to facilitate crew changes
- **Operations**
  - There have been no material cost increases as of now
  - SIRE and other inspections are more difficult to arrange
  - Transport of spare parts taking longer
  - Notwithstanding the above challenges, all key operations are working smoothly.
- **Overall**
  - Our priorities are a safe environment for our employees ashore and at sea, and the continued safe, reliable service to our energy customers



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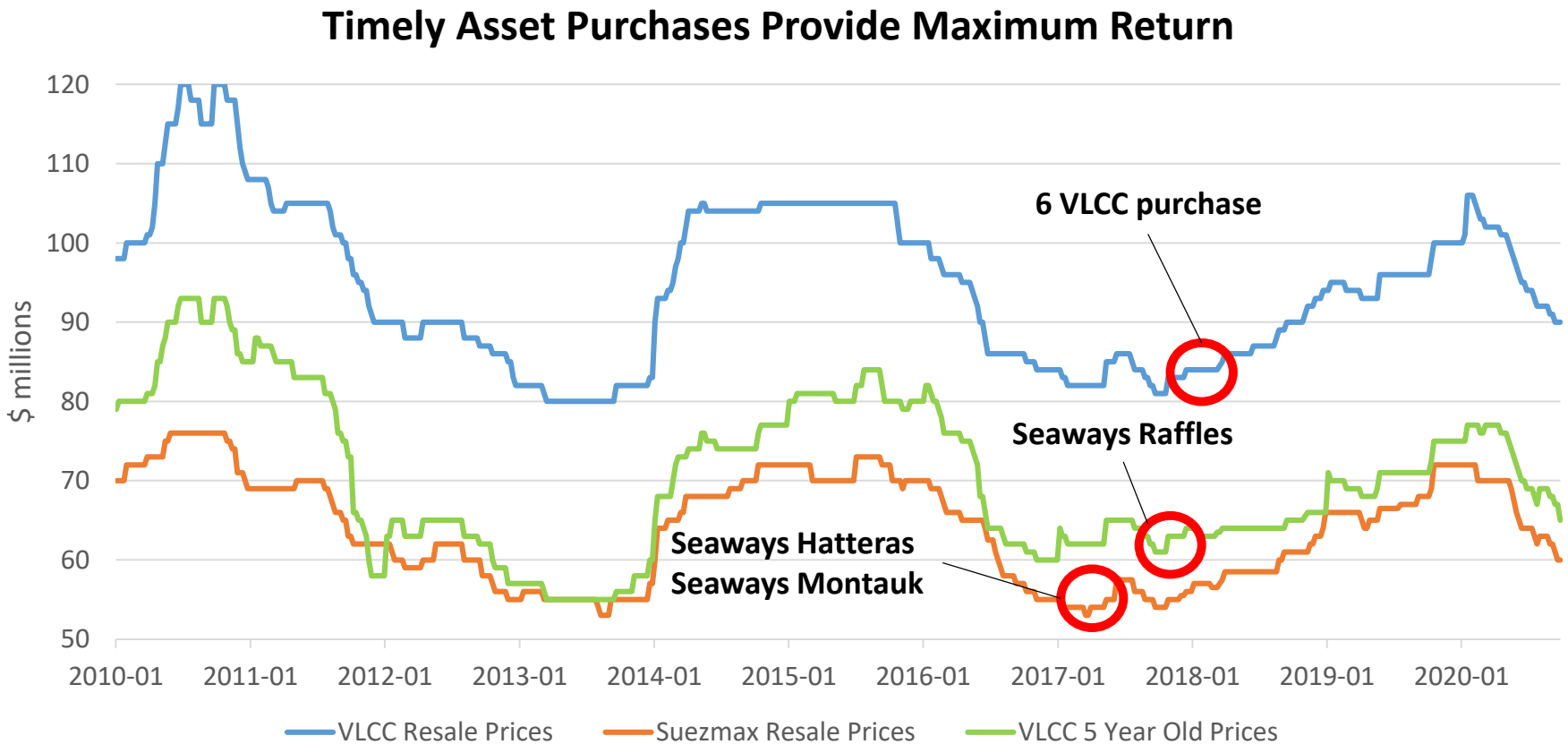
Disciplined Capital Allocation: Fleet Renewal

- **International Seaways Invested $600 million at the bottom of the cycle**
  - Two Suezmax newbuilding resales purchased for $58 million each in 2017
  - 2010-built VLCC purchased for $53 million in 2017
  - Six VLCCs built 2016 and 2015 purchased for $434 million total in 2018
  - Assets materially appreciated since purchase
  - Finance with free cash flow and sale of $340 million of older / non-core assets



Source: Clarksons

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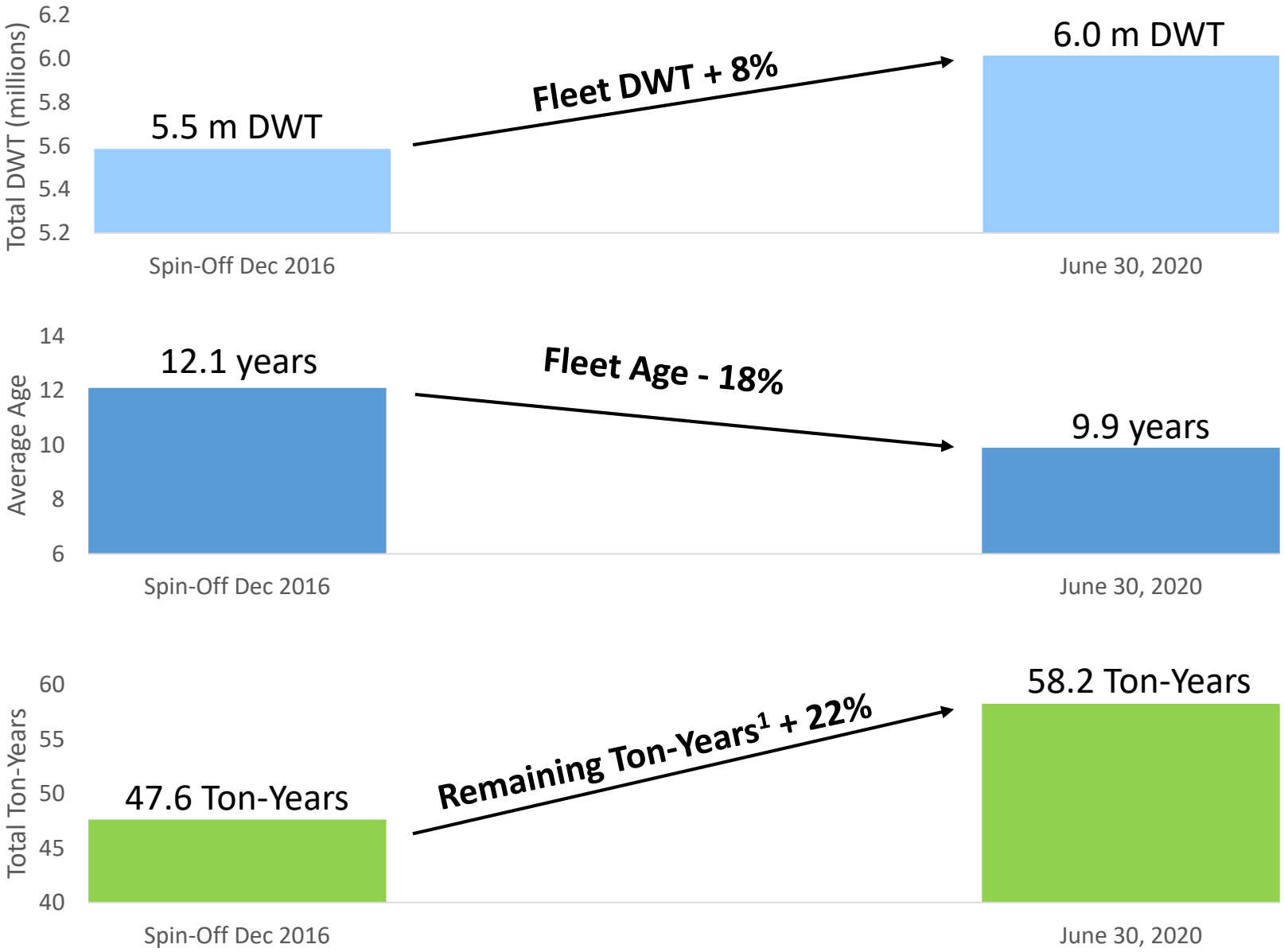
Fleet Evolution Since Spin-Off



[1] Basis DWT x remaining life of fleet (Ton-Years). 20 year life for illustrative purposes only. INSW accounting policy is 25 year ship life

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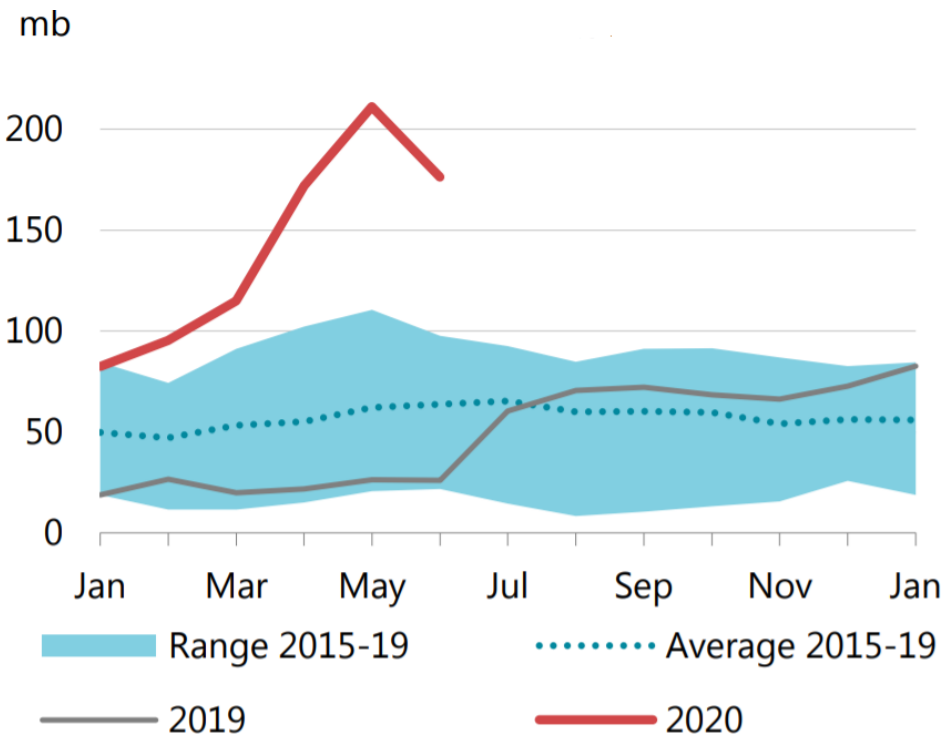
Market Update – Oil Supply, Demand and Market Implications

- **Oil Demand**
  - While the Coronavirus (COVID-19) has negatively impacted oil demand, IEA has for the last two months increased their view of global oil demand, currently at 92.1 million b/d for 2020 and 97.4 million b/d for 2021, largely on the strength of Chinese demand. While down from the 100.0 million b/d achieved in 2019, this is still a significant increase from previous estimates
- **Oil Supply**
  - OPEC+ has agreed to ease production cuts, with August expected to see a 2 million b/d increase in production
  - US shale production under pressure from lower oil prices; EIA estimates August production to be down by 2 million b/d from its peak in March
  - Recent return to modest contango has led to increased demand for floating storage, supporting rates
- **Tanker Market Implications**
  - The combination of June OPEC+ production cuts, reduced demand for floating storage, and inventory destocking have all put negative pressure on freight rates. Expected to continue until inventories rebalance

Global Short-Term Crude in Floating Storage



Source: EA Gibson, IEA

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Market Update – Ship Supply

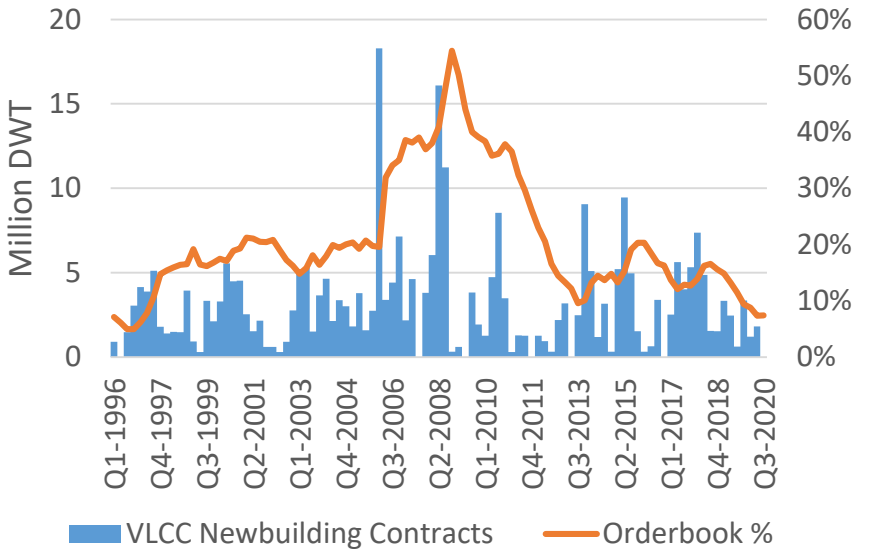
Orderbook Update

- Orderbook remains historically low:
  - VLCC 7.4%
  - Suezmax 11.1%
  - Aframax/LR2 9.6%
  - Panamax/LR1 4.3%
  - MR 6.8%
- 31 VLCCs ordered in 2019; YTD 2020 only 12
- Ordering tempered by uncertainty surrounding markets, decarbonization, and suitable propulsion systems

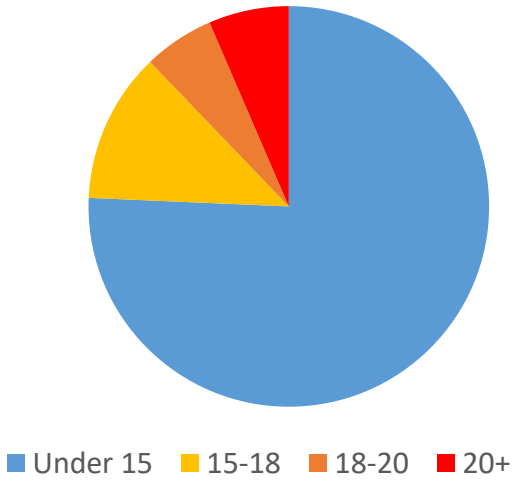
Recycling potential

- The VLCC fleet is aging – over 200 ships out of a fleet of 826 are over 15 years old
- Ships 20 years or older have grown by nearly 3 million DWT from last quarter, an increase of 19%
- At age 15 and every 2.5 years thereafter significant investment required to continue to trade
- As ships reach ballast water treatment deadlines, even greater capital expenditure is required to keep trading
- After a record 31 VLCCs were sold for recycling in 2018, only four VLCCs were recycled in 2019 and none YTD 2020. As rates moderate, we expect to see recycling increase

Historically Low Orderbook



VLCC Fleet is Ageing



Source: Clarksons, INSW

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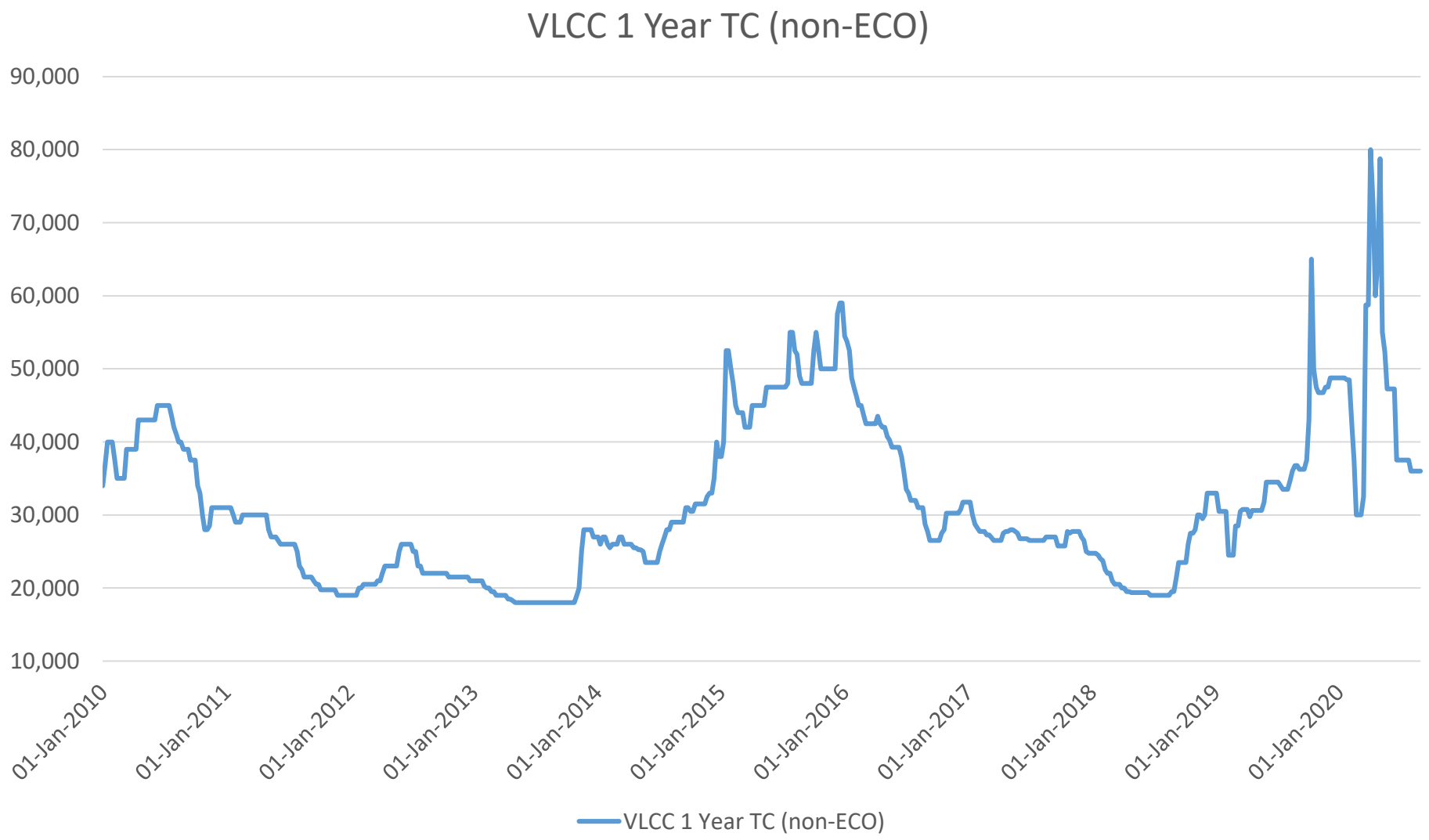
VLCC 1 Year TC Rates



Source: Clarksons Weekly VLCC 1 Year Timecharter Rate through May 22, 2020

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INSW Financial Highlights

Low Financial Leverage and Strong Balance Sheet

- Accomplished fleet upgrade while maintaining one of the lowest leverage profiles in the tanker space
- 34% Net Loan to Asset Value at June 30 (includes the value of the FSO JV)
- 30% Net Debt to Capitalization at June 30
- Appr $184 million in liquidity (including $40 million undrawn revolver) at end of Q2

Refinancing Brings Strong and Flexible Balance Sheet

- Refinanced Term Loan B and other instruments with traditional bank debt, completes balance sheet evolution from acquisition to long term capital allocation
- Lower margins and $110m debt prepayment yield savings of appr $25 million/yr
- Structured to provide capital allocation flexibility
- Q3 event – repaid $40 million Transition loan in August 2020

Low Cash Breakeven

- Fleetwide cash breakeven $19,500/day for next 12 months before TCs and FSO
- Effectively $14,600/day when factoring in VLCC time charters & JV contributions
- Expected $31m drydock and $34m BWTS and Scrubber costs for 2020

Significant Earnings and Cash Flow Power

- 37 tankers offer significant operating leverage to tanker market
- Every $5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides $67 million in incremental EBITDA and $2.38 EPS per annum
- LTM EBITDA of $287 million demonstrates upside potential

Disciplined Capital Allocator

- Invested $600 million, renewing fleet at bottom of cycle without issuing equity
- Sold non-core LNG joint venture for $123 million in cash
- Current Capital Allocation Priorities:
  - Deleverage – approx. $120m YTD 2020
  - Return cash to shareholders
  - $30 million shares repurchased YTD; additional $30 million authorized

Q1 $380 million Refinancing Deleveraged and Lowered Costs

As of December 31, 2019

	Principal ($m)	Maturity	Rate	Annual Amortization
Term Loan B	$331.5	2022	L + 600	$18.4
ABN Term Loan	$23.2	2023	L + 325	$3.6
Sinosure Credit Facility	$269.7	2027-2028	L + 200	$23.6
8.5% Senior Notes	$25.0	2023	8.50%	$0.0
10.75% Subordinated Notes	$27.9	2023	10.75%	$0.0
TOTAL	**$677.4**		**6.48%**	**$45.6**

Net LTV 36%[2]

Pro Forma as of June 30, 2020

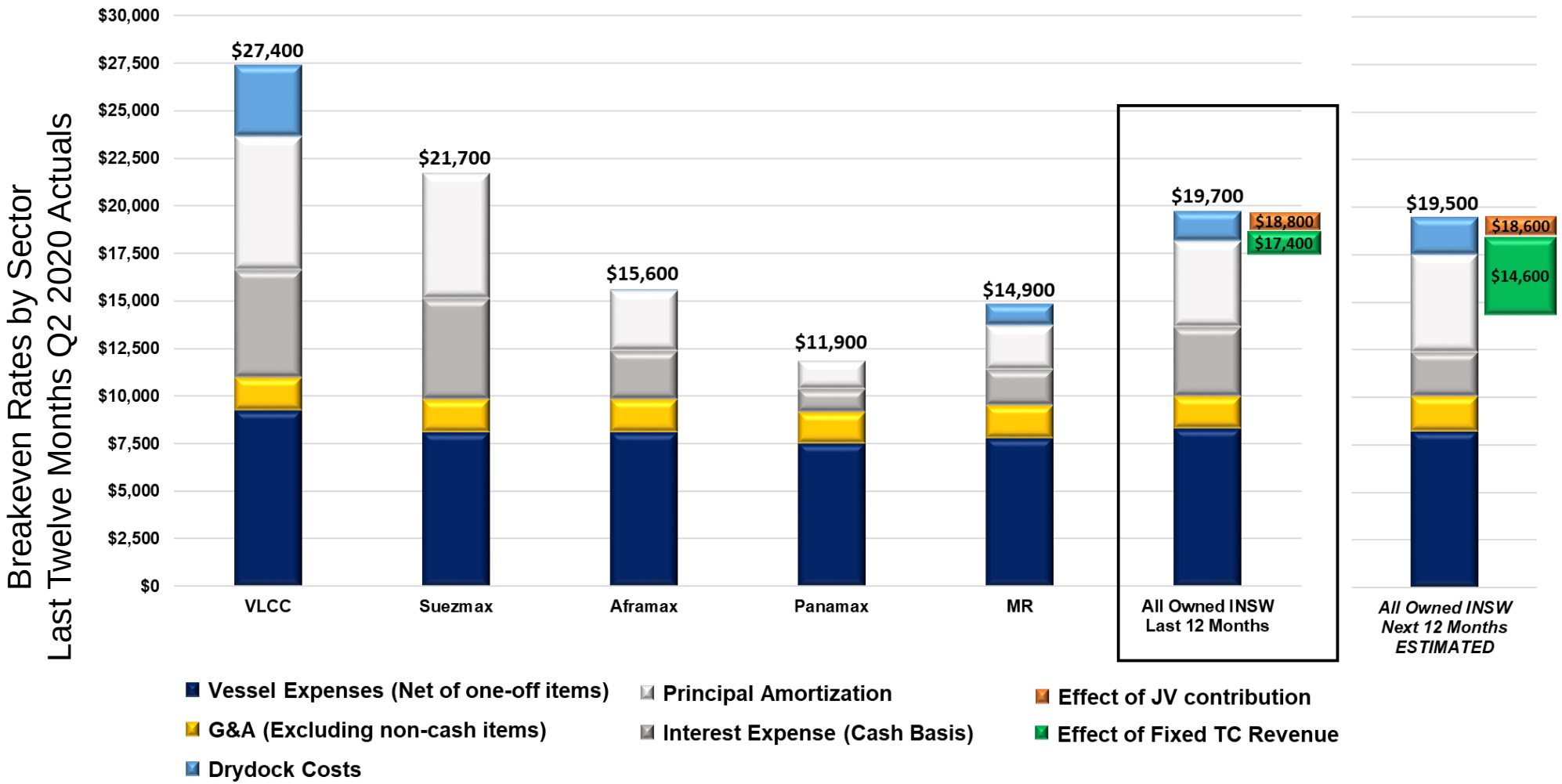
	Principal ($m)	Maturity	Rate	Annual Amortization
Core Facility Term Loan[1]	$290.5	2025	L + 260	$37.7
Transition Facility		Repaid Aug 2020		
Sinosure Credit Facility	$257.9	2027-2028	L + 200	$23.6
8.5% Senior Notes	$25.0	2023	8.50%	$0.0
Revolving Facility[1]	$0.0	2025	L + 260	$0.0
TOTAL	**$573.4**		**4.48%**	**$61.3**
Delta vs 2019	**($104)**		**(2.0%)**	**$15.7**

Net LTV 34%[2]

1 *Margin on Core and Revolving facilities dropped to 240 bps on August 10*
2 *Includes the value of INSW's equity interest in the FSO JVs at book value, which takes into account assets and liabilities at those entities*

Lean and Scalable Model – Cash Breakevens – Last 12 Months

TCE breakeven levels allow INSW to navigate low points in the tanker cycle while providing significant operating leverage in rising markets



- *INSW Daily OPEX excludes DDK deviation bunkers, insurance claims and one-off expenses*
- *G&A for the Lightering segment is excluded*
- *Vessels that have been sold are excluded*
- *Only includes owned vessels. Two bareboat-in Aframaxes vessels have charter hire and OPEX expenses of approx. $17,700 per day*
- *Breakevens are basis Revenue Days*

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Financial Summary – Q2 & Q3 Earnings Update

2020 Q2 Actual

	SPOT TCE	TC TCE	OVERALL TCE
VLCC	**$71,700**	**$67,200**	**$70,500**
VLCC < 15	$75,300	$73,800	$74,900
VLCC 15+	$51,600	$51,600	$51,600
Suezmax	**$49,000**	**---**	**$49,000**
Aframax/LR2	**$30,600**	**---**	**$30,600**
Panamax/LR1	**$31,500**	**$16,300**	**$24,500**
MR	**$17,200**	**---**	**$17,200**

2020 Q3 Booked to Date

	SPOT		TC		OVERALL	
	Fixed	TCE	Fixed	TCE	Fixed	TCE
VLCC	**77%**	**$40,200**	**100%**	**$73,300**	**84%**	**$52,400**
VLCC < 15	77%	$44,900	100%	$80,500	84%	$57,700
VLCC 15+	80%	$23,100	100%	$51,700	87%	$34,600
Suezmax	**100%**	**$28,700**	**0%**	**$0**	**100%**	**$28,700**
Aframax/LR2	**81%**	**$13,300**	**0%**	**$0**	**81%**	**$13,300**
Panamax/LR1	**71%**	**$19,000**	**75%**	**$16,500**	**72%**	**$18,200**
MR	**76%**	**$15,200**	**0%**	**$0**	**76%**	**$15,200**

Notes: As of September 10, 2020

Overall 2020 Q2 VLCC TCE includes 261 time charter days at $67,200/day. Overall 2020Q3 VLCC TCE includes 368 time charter days at $73,300/day. Overall 2020 Q2 Panamax/LR1 TCE includes 540 time charter days at $16,300/day. Overall 2020 Q3 Panamax/LR1 TCE includes 236 time charter days booked at approximately $16,500/day

Rates exclude average pool fees of approximately $719/day

INSW Metrics and Multiples Based on Pareto and Mid-Cycle Estimates

- The view from the tanker bridge is somewhat foggy – Research views on remainder of 2020 and full year 2021 rates vary widely, given differing views on the pace, extent and effect of the global oil and refined product de-stocking period.
- To assist analysts and potential investors with modeling and valuation assessment, we provide estimates of key INSW earnings metrics for 2021 from host Jefferies and pro forma mid cycle rates for which we use long term spot rate averages.
- While we presently have significant time charter coverage above the mid-cycle rates – which are reflected in the Jefferies 2021 estimates, the pro forma metrics assume all vessels are employed on spot. See Appendix for Time Charter summary.

INSW Metrics and Multiples Based on Jefferies and Mid-Cycle Estimates

Illustrative comparison of estimates for INSW EBITDA and EPS from one shipping research firm – Jefferies – versus theoretical estimates of INSW mid-cycle average earnings

Metrics	Jefferies 2021 (1)	Pro Forma Mid-Cycle (2)
EBITDA	$262.2mm	$200mm
Net Income	$159.9mm	$89mm
EPS	$5.74	$3.20
Operating Cash Flow (3)	$241.9mm	$164mm

Current INSW Values	
INSW share price	$15.30
Market Capitalization	$420mm
Total Enterprise Value	$896mm

	Jefferies 2021	Pro Forma Mid-Cycle
P/E	2.6x	5.0x
EV/EBITDA	2.6x	4.7x

(1) Source – Jefferies research publications – INSW does not endorse this or any other published research as a company forecast

(2) Source – Management estimate based on available industry information and historical trends. For illustrative purposes – not intended to suggest an actual time frame for mid-cycle performance. Based on 27,983,771 shares outstanding

(3) Net Income plus estimated $82mm annual depreciation and amortization

Industry Leading ESG Footprint

Environmental

- Commitment to minimizing risk of all forms of pollution
- Sustainability-linked pricing feature of INSW's new debt facility
- Active compliance programs for IMO 2020, ballast water treatment
- CEO on the board of ITOPF
- NAMEPA Marine Environment Protection award, 2019

Social

- International Seaways meets, and when possible, exceeds compliance with all applicable rules and regulations governing the maritime industry
- Safe, healthy and secure working conditions for all employees on land and at sea
- Member of the Marine Anti-Corruption Network

Governance

- Six of eight members of Board of Directors fully independent
- Split non-Executive Chairman and CEO
- Commitment to diversity exemplified by two female directors (including CEO)
- Webber Research / Wells Fargo ESG Ranking:
  - #1 among tanker shipping companies
  - #2 of 56 shipping companies overall
  - Three years in a row: 2018, 2019, 2020

Transparency in CO_2 Emissions Reporting

- In 2018, the IMO adopted an initial strategy for reducing greenhouse gas ("GHG") emissions from vessels, and calling for a 70% reduction in carbon emissions from 2008 levels by 2050
  - IMO established trajectories and targets for each ship type and size, considering their emissions, trading patterns, and other factors
- INSW currently reports total CO_2 produced and its Annual Efficiency Ratio as part of its efforts to help the shipping industry move forward towards a low-carbon future

Vessel Data	Fuel Use and CO_2 Emissions Data	Fleet Annual Emissions Rate (AER)[1]
# of Vessels in Fleet Jan. 1, 2019: **38**	HFO Consumed: **324,723 MT**	**3.56**
# of Vessels in Fleet Dec. 31, 2019: **36**	LSFO Consumed: **3,039 MT**	
# of Vessel Days: **13,486**	Gas Oil Consumed: **53,807 MT**	
Distance travelled: **2,117,087 NM**	**CO_2 Produced: 1,193,271 MT**	

- INSW has also contractually committed in its credit facility to reporting its annual achievement against the IMO GHG target trajectories on a fleet-wide basis
- **For 2019, International Seaways' fleet achieved a Poseidon Principles Fleet Sustainability Score of 1.06, indicating that, for 2019, the carbon emissions for the fleet was 6% over the IMO trajectories for the year (on a deadweight ton average basis)**

We Will Achieve Decarbonization Using the Technology of Today …

- "Get To Green" Initiative
  - Working in conjunction with our third-party technical managers, in 2018 we initiated a "Get to Green" initiative, where we encourage our crews to continually monitor and report equipment performance metrics in order to improve our vessel efficiencies.
  - **We have seen significant improvements as a result – for example, between October 2018 and September 2019, our fleet's propulsion efficiency improved 5.8%, meaning that we reduced fuel consumption by 8,500 MT, or approximately 26,500 MT of CO_2**
  - This propulsion efficiency metric is one of our Key Performance Indicators, which is reported to our Board and is used as a criteria in calculating annual employee bonuses
- Fleet Renewal
  - Upgrading our fleet has improved our emissions profile, because newer vessels (like our six new VLCCs (5x2016, 1x2015) and our two new Suezmax (2018) are ECO efficient and more environmentally sound
  - Efforts around the biggest vessels offer the biggest opportunities for improvements
- Other initiatives under evaluation:

- Technical Efficiencies
  - Better hull paints
  - Improvement devices (e.g. Mewis ducts)
  - More efficient hull cleanings
- Commercial Efficiencies
  - Less idle time
  - Fewer slack tanks
  - Slower steaming



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APPENDIX

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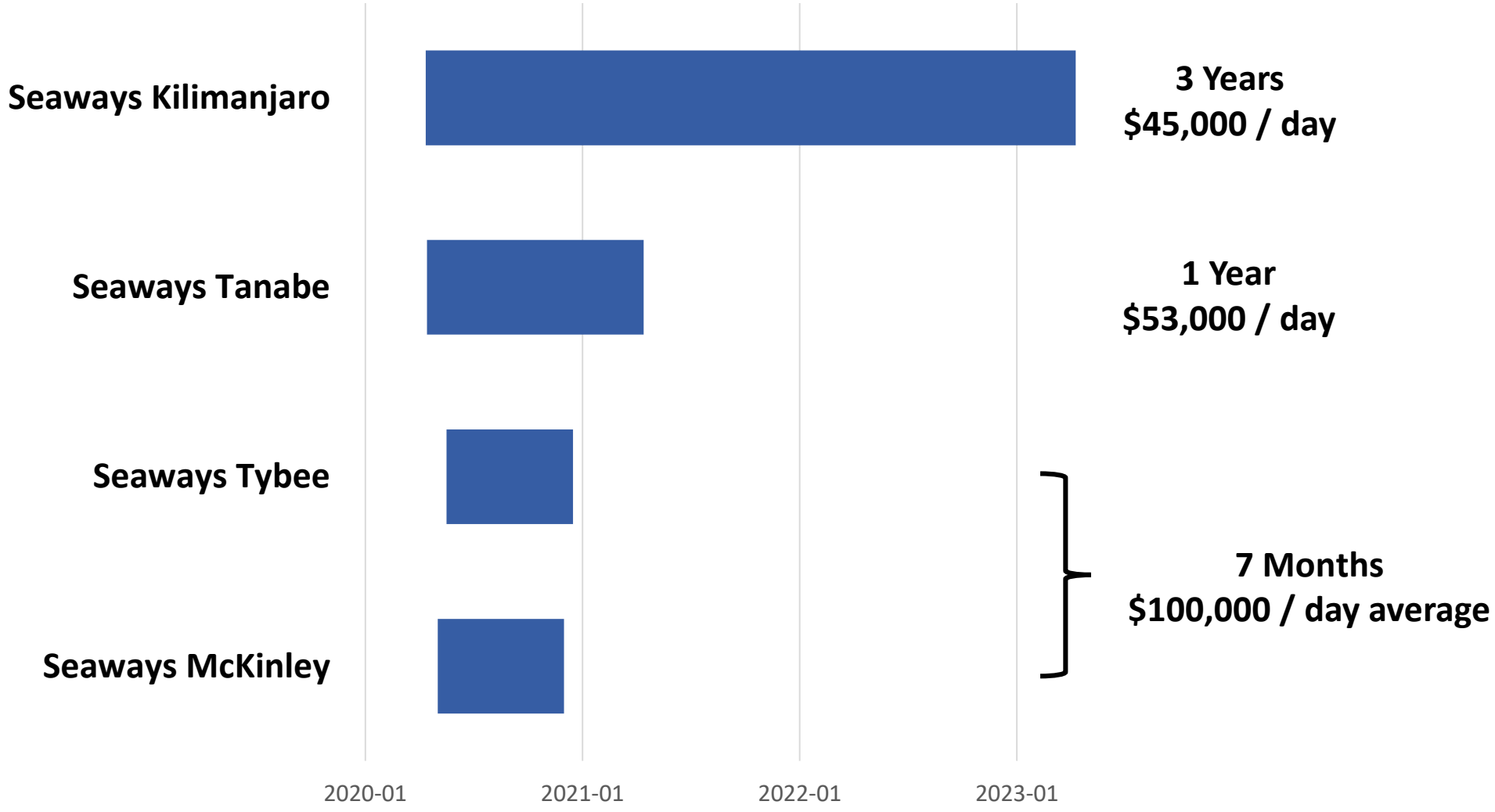
VLCC Time Charter Details



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INSW Fleet as of September 1, 2020

Ship	Type	Built	DWT	Ownership
Gener8 Chiotis	VLCC	2016	300,973	Owned
Gener8 Success	VLCC	2016	300,932	Owned
Gener8 Supreme	VLCC	2016	300,933	Owned
Seaways Diamond Head	VLCC	2016	301,038	Owned
Seaways Hendrick	VLCC	2016	301,014	Owned
Seaways Tybee	VLCC	2015	300,960	Owned
Seaways Kilimanjaro	VLCC	2012	296,999	Owned
Seaways Mckinley	VLCC	2011	296,971	Owned
Seaways Everest	VLCC	2010	296,907	Owned
Seaways Raffles	VLCC	2010	318,325	Owned
Seaways Rosalyn	VLCC	2003	317,979	Owned
Seaways Mulan	VLCC	2002	318,518	Owned
Seaways Tanabe	VLCC	2002	298,561	Owned
Seaways Hatteras	Suezmax	2017	158,432	Owned
Seaways Montauk	Suezmax	2017	158,432	Owned
Seaways Redwood	Aframax	2013	112,792	Owned
Seaways Yellowstone	Aframax	2009	112,989	Owned
Seaways Yosemite	Aframax	2009	112,905	Owned
Seaways Fran	Aframax	2001	112,118	Owned
Seaways Shenandoah	LR2	2014	109,999	Owned
Seaways Reymar	Panamax	2004	69,636	Owned
Seaways Hellas	Panamax	2003	69,636	Owned
Seaways Jademar	Panamax	2002	69,697	Owned
Seaways Goldmar	Panamax	2002	69,684	Owned
Seaways Rosemar	Panamax	2002	69,629	Owned
Seaways Silvermar	Panamax	2002	69,609	Owned
Seaways Rubymar	Panamax	2002	69,599	Owned

Ship	Type	Built	DWT	Ownership
Seaways Leyte	LR1	2011	73,944	Owned
Seaways Samar	LR1	2011	73,925	Owned
Seaways Guayaquil	LR1	2009	74,999	Owned
Ice Victory	LR1	2006	70,372	TC-in
Seaways Visayas	LR1	2006	74,933	Owned
Seaways Luzon	LR1	2006	74,908	Owned
Seaways Athens	MR	2012	50,342	Owned
Seaways Milos	MR	2011	50,378	Owned
Seaways Kythnos	MR	2010	50,284	Owned
Seaways Skopelos	MR	2009	50,222	Owned
FSO Africa	FSO	2010	432,023	JV 50%
FSO Asia	FSO	2009	441,893	JV 50%

Trading Crude
Trading Products
JV Ships

EBITDA Reconciliation ($ millions)

	Pro Forma Mid-Cycle
Net Income	89
Income tax provision/(benefit)	0
Interest expense	29
Depreciation and amortization	82
EBITDA	200

Source – Management estimate based on available industry information and historical trends. For illustrative purposes – not intended to suggest an actual time frame for mid-cycle performance.