The best product tanker market spot earnings since 2009 combined with a larger fleet contributed to an operating profit for the twelve months ended December 31, 2015 of $77.1 million ($11.0 million for 2014) and a profit of $59.6 million ($2.3 million for 2014).

The book value of the fleet, including newbuilds, as of December 31, 2015 was $1,100.7 million. As of December 31, 2015, we had $122.8 million in cash, $504.3 million of bank debt and $39.3 million in working capital1, including $24.4 million in pool working capital. The remaining capex for the newbuilds was $159.0 million. As of December 31, 2015, available undrawn bank financing to fund the newbuilds was $140.0 million and including cash, the newbuild program was fully financed.

The board of directors approved a return of capital to shareholders of 50% of profit (or approximately $30 million). The method and timing of the return of capital will be determined at a later date, as the board of directors deems appropriate in light of market conditions and other factors.

During 2015, the product tanker market generally benefitted from high refinery margins combined with high gasoline demand in the USA, resulting in increased ton-miles supporting the demand for product tankers. The volatility of oil prices has encouraged additional trading activity of refined products, leading to further improved freight rates. The addition of new refinery capacity in the Middle East and India has resulted in substantial export of refined products, benefiting the product tanker segment despite a substantial net fleet growth during the year.

Gross spot earnings of vessels trading in pools managed by Hafnia Management A/S during 2015 were $27,072 per LR1 vessel, $21,396 per MR vessel and $20,638 per SR vessel.

Hafnia’s fleet grew from 19 to 30 vessels during 2015, as we took delivery of five SR vessels and two MR vessels. We additionally acquired four LR 1 vessels from a third party. Hafnia expects to take delivery of one SR vessel and five MR vessels in 2016, and one MR vessel in 2017.

As of December 31, 2015 Hafnia’s fleet consisted of 30 owned vessels and five vessels chartered-in and an order book of seven newbuilds in addition to two vessels chartered-in to be delivered in 2017.

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1 Defined as Total current assets less cash plus Pool working capital deposits (from non-current assets) minus Total current liabilities less bank loans
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The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words “may”, “will”, “should”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “predicts”, “potential”, or “continue” and similar expressions identify forward-looking statements. Although Hafnia believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Hafnia can give no assurance that such expectations will prove to be correct.

The forward-looking statements or information contained in this news release are made as of the date hereof and Hafnia undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.