



RIDGEBURY CRUDE TANKERS LLC

33 Riverside Ave
Westport CT 06880

QUARTERLY REPORT (UNAUDITED) – September 30, 2015

Westport, Connecticut, November 19, 2015

Ridgebury Crude Tankers reported solid operating results for the three and nine month periods ended September 30, 2015.

Highlights:

- 3Q Suezmax performance: \$38,870 per day
- 3Q Aframax performance: \$31,421 per day
- 3Q on-hire performance: 100% on-hire days (Suez and Afra)
- RT Holdings YTD EBITDA: \$91.9 million
- Ridgebury Crude YTD EBITDA: \$63.5 million
- Fourth quarter (Suezmax) 69% booked at TCE of approximately \$38,000 per day

RT Holdings

	Third Quarter			Year-to-Date		
	Actual	Prior Year	Variance	Actual	Prior Year	Variance
Revenue	43.1	19.4	122%	125.0	40.0	212%
Operating Expenses	(9.5)	(9.6)		(28.3)	(23.2)	
SG&A	(1.5)	(0.9)		(4.6)	(3.7)	
EBITDA	32.1	9.0	257%	91.9	13.1	602%

Ridgebury Crude Tankers

	Third Quarter			Year-to-Date		
	Actual	Prior Year	Variance	Actual	Prior Year	Variance
Revenue	27.4	14.2	94%	81.7	21.4	281%
Operating Expenses	5.3	5.2		16.5	10.3	
SG&A	1.0	0.8		2.5	1.6	
EBITDA	21.2	8.1	160%	62.7	9.6	555%

Operating Metrics

	Third Quarter			Year-to-Date		
	Suezmax	Aframax	Total	Suezmax	Aframax	Total
Utilized Days	644	92	736	1,895	264	2,159
Off-hire Days	-	-	-	16	9	25
Utilization	100.0%	100.0%	100.0%	99.2%	96.7%	98.9%
TCE Rate	38,870	31,421		40,026	30,058	
Operating Costs / Day	6,890	6,839		7,239	7,054	

Notes:

- Prior year figures for the quarter include 7 Suezmax tankers; for the current year include 7 Suezmax and 1 Aframax
- Prior year YTD figures do not represent a full 9 months; vessels began to deliver beginning in April 2014
- RT Holdings ("RTH") owns 2 Aframax, 6 MR and 7 Suezmax tankers, plus a 36% equity investment in Ridgebury V4
- Ridgebury Crude Tankers LLC ("RCT" or "Ridgebury Crude") owns 7 Suezmax and 1 Aframax tankers.

Summary

The year has been characterized by favorable market conditions in all of Ridgebury's vessel segments. High global oil production, low bunker fuel prices, strong refining margins and longer voyages contributed to strong tanker demand, against a backdrop of minimal fleet growth. This produced the best highest charter rate environment since 2008, particularly during the typically weak summer period.

Against this positive backdrop, Ridgebury Crude enjoyed another quarter of solid performance. The entire Suezmax and Aframax fleet operated in the spot market with zero off-hire days. Although an August spot market decline led to lower results for September, Suezmax TCE earnings of \$38,870 per day continued a trend of results well above prior year, and a level that compares favorably with other owners and pools.

Ridgebury Crude generated revenue of \$27.4 million and EBITDA of \$21.2 million for the quarter, which was above the previously guided range of \$18 to \$21 million, and was far higher than \$8.1 million in the prior year. For the nine months ended September 30, Ridgebury Crude generated revenue of \$81.7 million and EBITDA of \$62.7 million.

RT Holdings (consisting of the Suezmax, Aframax and MR fleets) generated third quarter revenue of \$43.1 million and EBITDA of \$32.1 million, bringing nine month revenue to \$124.4 million and EBITDA of \$91.4 million.

Outlook

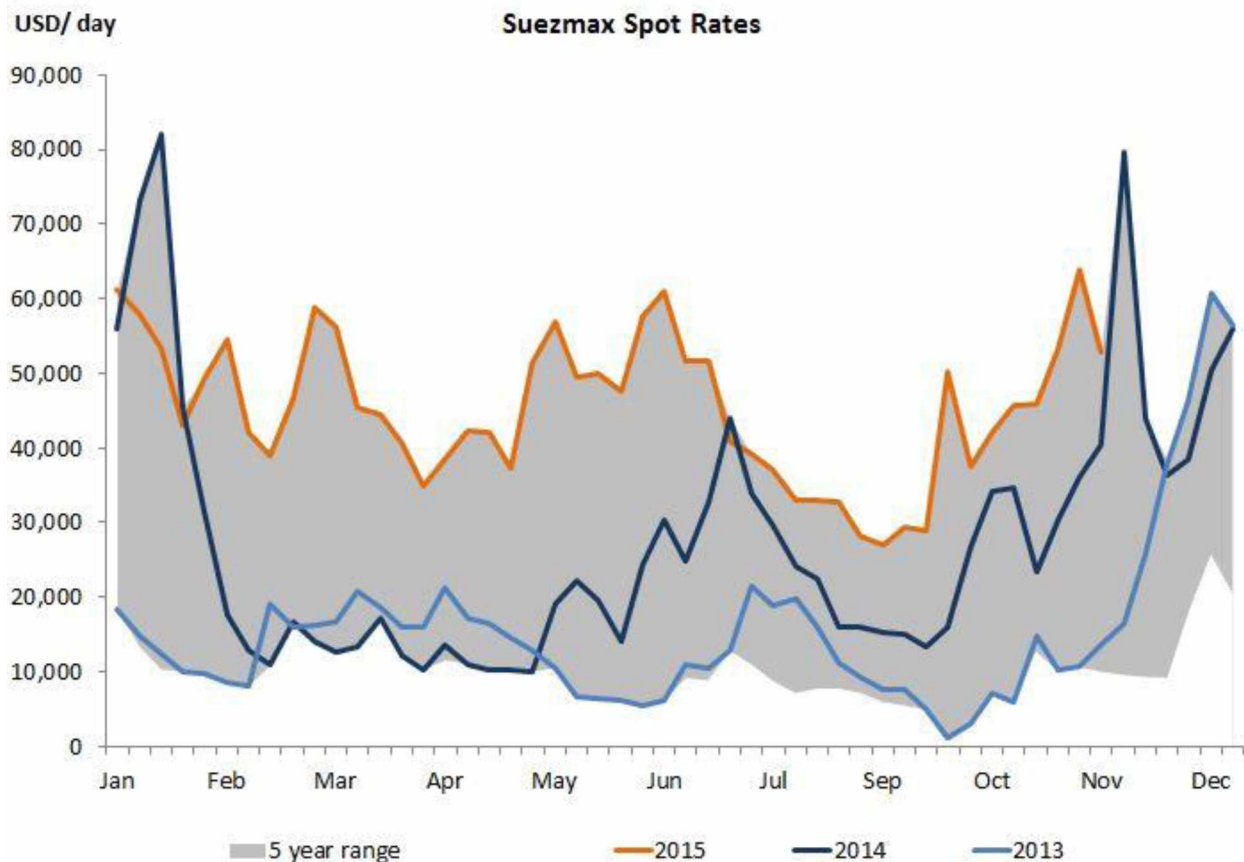
October Suezmax earnings were at levels comparable to September (approximately \$30,000 per day), but have recovered strongly in November and December. Currently, 69% of the fourth quarter is booked at a TCE of about \$38,000, a figure that is expected to increase by year end. At this time, we continue to see a strong winter market developing. Although there has not been a spike such as was seen in November 2014, the balance of cargoes and vessels is reasonably tight, and should improve further as winter weather and delays begin.

According to the most recent IEA report, the oil market is likely to remain oversupplied through the second half of 2016, which should generate continued favorable conditions in the Suezmax market, particularly with no significant fleet growth forecast until late 2016.

Management forecasts fourth quarter EBITDA of \$20 – \$23 million, for a full year result of \$82 – \$85 million for Ridgebury Crude Tankers. For RTH, the full year 2015 EBITDA forecast is \$120 - \$125 million.

Suezmax Freight Market

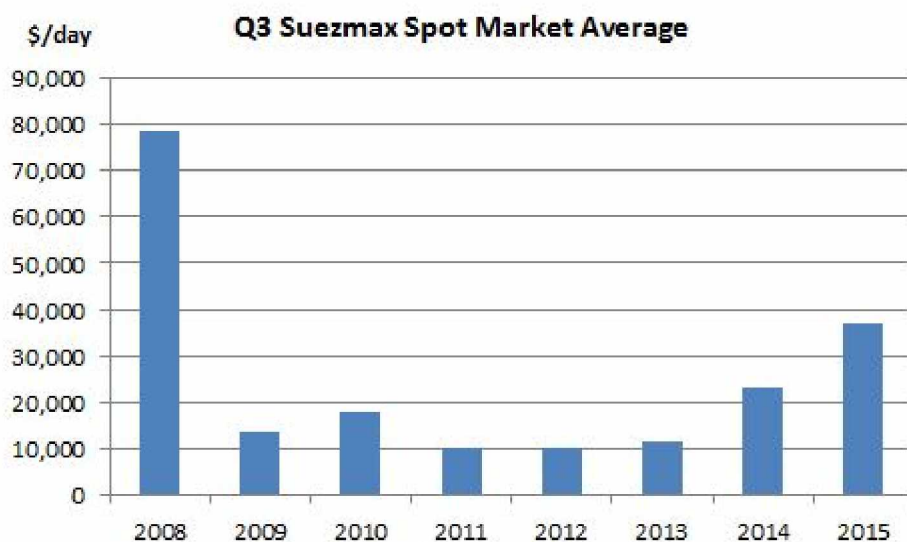
The Suezmax market defied traditional seasonal patterns, showing strength through the spring refinery turnaround season and most of the summer. The market finally succumbed to an overdue seasonal decline beginning in late July, which continued through August and into early September, before recovering. The late summer slowdown was driven initially by a drop in Arabian Gulf loadings that hit the VLCC sector particularly hard, due in part by a temporary lull in Chinese cargo demand. Although a seasonal softening had been expected, some owners nevertheless overreacted and took the market down sharply. In addition, VLCCs began to ballast to West Africa, which drove down the Atlantic market and Suezmax sector as well. The VLCC market recovered rapidly, while the upward trend has been much more gradual for Suezmaxes, but rates are nonetheless at strong levels entering the peak winter season.



Source: Clarksons, Ridgebury

There is a lag effect when comparing spot market rates to pool earnings. For example, a ship that agrees on August 15th to perform a voyage from West Africa to China will likely load the cargo at least 10 days later, and the voyage itself will run over the ensuing 30 to 45 days. This means that the low spot market of August and early September was felt by Ridgebury primarily during September and October.

Though the late summer decline vexed owners (including ourselves) who had grown accustomed to \$40,000 per day TCE rates, it still bottomed at a level well above previous years. As has been the case with each quarter this year, the third quarter of 2015 was far stronger than any comparable quarter since 2008.



Source: Clarksons

Management believes that the strength of the market this year has been driven by the following factors:

- Oil supply: OPEC continuing to produce above quota
- Oil demand: consistently stronger than forecast; upward revisions throughout the year
- Oil prices: higher TCE at a given freight rate, more arbitrage moves, lower fuel expense
- Fleet growth: Net growth of 7 ships YTD (1.5% on a fleet of 452)
- Longer Voyages: Strong growth in longer moves from the Atlantic basin to Asia
- Strategic petroleum reserve growth: China, but also India and Vietnam

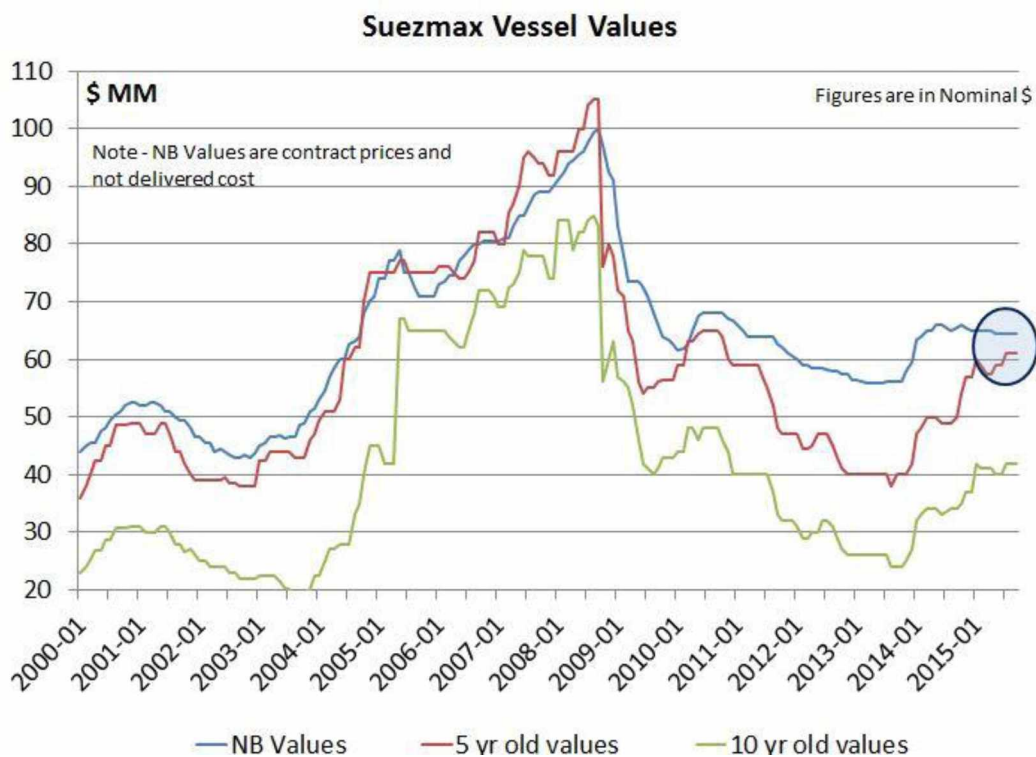
Ridgebury management agrees with many market observers that the oil price is likely to be “lower for longer.” We continue to see a strong demand response in both emerging and developed markets. IEA has again revised 2015 global oil demand estimates upward to 1.8mmb/d, the strongest growth in five years. The agency projects a lower growth rate of 1.2mmb/d in 2016, but has continued to revise upward the call on OPEC due to projected declines in US shale production. The call on OPEC is now forecast at 32mmb/d, about 300,000b/d above current output. If Iran returns to world markets during the year, we expect that the additional supply will further underpin a solid dynamic. The supply picture is not quite as favorable, as the hiatus in deliveries comes to an end and new ships enter the market at more normal replacement levels, compared to the near-zero fleet growth of the past two years.

Suezmax Asset Market

Following the last quarterly report, which discussed two large *en bloc* sales of modern fleets, there have been no announced sales of any Suezmax vessels aged ten years or younger. Conversely, there have been seven single vessel Suezmax transactions announced for ships aged 11 through 21 years. In most cases, the sellers have been larger, often publicly-traded owners taking advantage of the current market strength, obtaining favorable prices on older assets as part of stated fleet renewal strategies. The buyers have been smaller private owners, attracted by relatively low entry prices against strong current cash flows, and less concerned over any perceived stigma of owning older ships. As a result, there has been strong interest for these assets, and prices have generally been above broker-assessed values.

Newbuilding prices remain flat to slightly down in recent months, and the discount between newbuilding and five year old values has narrowed significantly in the past two years. Newbuilding orders reached a temporary peak in September and October, with owners looking to avoid MARPOL Annex IV Tier III NOx regulations, which apply to ships with keels laid after January 1, 2016. Future orders are subject to the more stringent (and expensive) requirement. As of September 30, the total orderbook of 75 vessels (16.6% of total fleet) includes 39 vessels ordered so far in 2015.

Ordering has been more restrained than might be expected in this strong rate environment. We believe that this is a result of several factors, namely concern over the expected duration of the current cycle, losses that many owners are sustaining in other vessel segments, and the punishment from public markets of shares of companies with large orderbooks. We expect that this will continue, and that the market will remain relatively balanced.



Source: Clarksons

Ridgebury Crude Tankers – Preliminary Unaudited Financial Performance

Results from Operations

Total revenue for Ridgebury Crude was \$27.4 million, consisting of \$24.6 million from the seven Suezmax vessels and \$2.8 million from one Aframax. Suezmax revenue of \$24.6 million reflected 644 revenue days at a net pool distribution of \$38,241. This was slightly below the second quarter on lower rates, offset by an increase of 7 revenue days due to improved on-hire performance. Aframax revenue for the quarter reflected 92 revenue days at \$30,753 per day (net of pool fees and commissions).

For the nine months ended September, total revenue of \$81.7 million represented Suezmax vessel revenue of \$73.9 million and Aframax revenue of \$7.8 million. Suezmax TCE was approximately \$40,026 per ship per day (generating distributions to Ridgebury of \$39,000 per day net of fees and commissions), while Aframax TCE revenue was approximately \$30,058 per day.

Operationally, the fleet performed very well both in terms of on-hire performance as well as operating expenses. As mentioned above, there were no off-hire days incurred during the quarter. Management expects on-hire performance to remain strong during the fourth quarter. There are no scheduled dry docks or special surveys planned during the remainder of 2015, and there is only one Ridgebury ship scheduled for dry dock during 2016.

Vessel operating expenses continued a downward trend at \$6,900 per day during the quarter, reducing the year to date figure to \$7,300 per day. Management believes that these costs are very competitive, especially taking into account the strong on-hire performance and vetting track record of the Ridgebury ships. Expenses for repairs and spare parts have declined to expected maintenance levels, following some incremental spending on deferred maintenance and upgrading needs associated with takeover from previous owners. Lower oil prices have also led to reductions in the cost of lubricant oils. Management expects that the fleet should operate approximately at budgeted levels for the remainder of the year. Nevertheless, although Ridgebury will remain cost competitive, management will invest as needed to maintain a high quality fleet with excellent on-hire performance.

EBITDA was approximately \$21.2 million for the quarter, with net income of \$13.4 million after depreciation, amortization and bond interest. For the nine month period, EBITDA was \$62.7 million and net income was \$39.0 million.

Balance Sheet Items

As of September 30, Ridgebury Crude Tankers had \$23.9 million in cash (including \$7.5 million restricted cash). There were no meaningful changes to fixed assets apart from normal depreciation. Current liabilities declined as a result of the semi-annual payment of accrued interest on September 20.

The Senior Secured Bond outstanding balance declined by \$10 million to \$190 million as a result of a \$10 million redemption (at par) on September 20, 2015. This follows a similar redemption of \$10 million on March 20, 2015. The bond agreement does not allow further redemptions until September 2016. Ridgebury Crude has no other financial debt.

Cash Flow

Ridgebury Crude generated cash flow from operations of approximately \$15.7 million and \$45.9 million for the three and nine month periods ended September 30, 2015. During the first nine months of 2015, this cash was used for the redemption of \$20 million principal amount of bonds and the purchase of the Ridgebury Sally B for \$20.0 million (plus \$1.3 million associated working capital). With cash flow projected to remain strong in the fourth quarter, the company anticipates using Excess Cash to purchase the second identified Aframax, the *Ridgebury Alice M*, in late December 2015 or in early 2016.

Outlook

Ridgebury expects to report similar results for the fourth quarter. Although October TCEs were about \$30,000, the market has continued to strengthen and the quarter overall is currently 69% booked at TCE rates of about \$38,000. Management currently estimates fourth quarter EBITDA between \$19 and \$22 million. This estimate is dependent on rates achieved for the 31% remaining unfixed days; based on the current outlook for December, we expect these bookings to increase average rates for the quarter.

Other Significant Events

On July 15, 2015, Ridgebury V4 Investments LLC (“RV4”), a subsidiary of Ridgebury Holdings, raised \$150 million in equity from Holdings and other institutional investors. The proceeds were used to acquire four Very Large Crude Carrier sister ships, two of which had delivered as of September 30. Ridgebury Holdings holds a 36% interest in RV4.

During the quarter, Ridgebury Holdings retained American Marine Advisors to explore the sale of some or all of the vessels owned by Ridgebury (excluding the newly-acquired VLCCs). This includes the vessels owned by Ridgebury Crude Tankers. Ridgebury has not made a determination regarding the potential sale, and there can be no assurance that Ridgebury will decide to sell any vessels.

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FORWARD LOOKING STATEMENTS

This earnings release contains forward-looking statements which reflect management’s views with respect to future events and performance, and which are based on a number of assumptions as well as market information and analysis derived from third parties. These forward-looking statements include statements regarding tanker market fundamentals, global oil supply and demand fundamentals, changing trading patterns, future vessel supply and scrapping. Factors that could cause Ridgebury Crude’s results to differ materially from management’s forward-looking statements include the following: changes to global demand for oil and refined products; changes to global oil production; location of oil production and demand; changing industry regulation; changing environmental laws; higher or lower levels of new vessel ordering and vessel scrapping; vessel design innovations that make Ridgebury Crude’s vessels less competitive; changes to laws and regulations; changes to interest rates

and financial markets; unforeseen offhire, drydocking or other expenses; pool underperformance; counterparty non-performance or default; and security risks and war. RCT expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Ridgebury Crude's expectations with respect thereto or any change in events, conditions, or circumstances on which any such statement is based.

RIDGEBURY CRUDE TANKERS LLC
SUMMARY UNAUDITED FINANCIAL INFORMATION
(In US Dollars)

SUMMARY CONSOLIDATED STATEMENTS OF INCOME	3 months ended September 30, 2015	9 months ended September 30, 2015
Revenues		
Net pool revenues	27,428,312	81,745,328
Time charter revenues	-	-
Voyage charter revenues	-	-
Total revenues	<u>27,428,312</u>	<u>81,745,328</u>
Operating expenses		
Voyage expenses	258,770	734,811
Vessel operating expense	5,059,796	15,753,372
General and administrative	955,790	2,522,224
Depreciation and amortization	3,584,635	10,748,917
Total operating expenses	<u>9,858,992</u>	<u>29,759,324</u>
Income from operations	17,569,320	51,986,004
Interest expense and financing cost	4,178,625	12,983,252
Net income (loss)	<u>13,390,695</u>	<u>39,002,752</u>

SUMMARY BALANCE SHEET	Balances at September 30, 2015
Assets	
Unrestricted Cash	16,411,905
Accounts receivable	3,661,157
Prepaid expenses, including pool working capital	8,140,212
Bunkers and lubes inventory	874,339
Total current assets	<u>29,087,613</u>
Vessels and equipment, net	282,181,035
Deferred drydock costs, net	861,804
Deferred financing costs, net	2,623,795
Restricted Cash	7,500,000
Total assets	<u>322,254,247</u>
Liabilities and members equity	
Accounts payable and accrued interest	809,951
Senior secured bond	190,000,000
Members equity	131,444,296
Total liabilities and equity	<u>322,254,247</u>

RIDGEBURY CRUDE TANKERS LLC
SUMMARY UNAUDITED FINANCIAL INFORMATION
(In US Dollars)

SUMMARY CASH FLOWS	<u>3 months ended</u> <u>September 30, 2015</u>	<u>9 months ended</u> <u>September 30, 2015</u>
Cash flow provided by/(used in) operating activities		
Net operating cash flow	15,660,919	45,927,662
Cash flow provided by/(used in) investing activities		
Additions to vessels and equipment	(30,330)	(121,544)
Acquisition of subsidiary	-	(21,282,410)
Cash flow provided by/(used in) financing activities		
Contributions from members	-	-
Repayment of senior secured bond	(10,000,000)	(20,000,000)
Deferred financing costs	-	-
Net cash flow provided by/(used in) financing activities	<u>(10,000,000)</u>	<u>(20,000,000)</u>
Net increase in cash	5,630,589	4,523,708
Cash balance beginning	10,781,316	11,888,197
Cash balance ending	<u><u>16,411,905</u></u>	<u><u>16,411,905</u></u>