TEEKAY TANKERS LTD.

Moderator: Bruce Chan
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12:00 pm CT

Operator: Welcome to Teekay Tankers Ltd fourth quarter and fiscal 2011 earnings results conference call. During the call, all participants will be in a listen-only mode. Afterwards, you'll be invited to participate in a question-and-answer session. At that time, if you have a question, participants will be asked to press star one to register for question. For assistance during the call, please press star zero on your touchtone phone. As a reminder, this call is being recorded.

Now for opening remarks and introductions, I would like to turn the call over to Mr. Bruce Chan, Teekay Tankers Limited Chief Executive Officer. Please go ahead, sir.

David Rajanayagam: Before Mr. Chan begins, I would like to direct all participants to our Web site, at www.teekaytankers.com, where you will find a copy of the fourth quarter and fiscal 2011 earnings presentation. Mr. Chan will review this presentation during today's conference call.

Please allow me to remind you that our discussion today contains forward-looking statements. Actual results may differ materially from results projected by those forward-looking statements. Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in the fourth quarter and fiscal 2011 earnings release and earnings presentation available on our Web site.

I will now turn the call over to Mr. Chan to begin.

Bruce Chan: Thank you, Mr. Rajanayagam. Hello, everyone and thank you very much for joining us.

With me here in Vancouver is Vince Lok, Teekay Tankers' Chief Financial Officer, Brian Fortier, Corporate Controller of Teekay Corporation, and Peter Evensen, Teekay Corporation's CEO. During today's conference call, I will discuss Teekay Tankers' results for the fourth quarter and fiscal year 2011. The associated presentation slides I will be walking through can be found on our Web site.

I will begin on slide 3 of the presentation by reviewing our recent highlights. We continue to pay out essentially all of our cash flow in the form of dividends to shareholders. In the fourth quarter, Teekay Tankers declared a dividend of $0.11 per share. Our fourth quarter dividend, which is our 17th consecutive quarterly dividend, will be paid out on February 28 to all shareholders of record on February 21. Despite the extreme weakness in the spot tanker market over the past few years, Teekay Tankers has been able to pay a total cumulative dividend of $6.87 per share since we went public in December of 2007. This dividend payment is based on actual cash generated and after debt payments and dry docking expenses.

With the spot tanker market further weakening in the fourth quarter, and with seasonal rate strengthening coming late in December, we generated an adjusted net loss of $1.3 million, or $0.02 per share, excluding the impact of non-cash items, which have been summarized in Appendix A to the earnings release, and cash available for distribution of $9.3 million for the quarter. Teekay Tankers' ability to pay quarterly dividends from cash flow generated after debt payments and other reserves, even in this current tanker market trough, reflects a key benefit of our tactical approach to managing our fleet employment and the merits of our preference for fixed rate coverage at this point in the tanker cycle. For the fourth quarter, over half of our revenue days earned an average fixed rate of $21,400 per day, more than $11,000 per day higher than the time charter equivalent right of $10,200 per day earned for the remaining spot revenue days. We continue to enhance our fixed rate cover in the fourth quarter, time chartering out an additional Aframax tanker at a rate of $17,000 per day, which is higher than the average rate for current Aframax spot voyage charters. We negotiated with the owners of our two time chartered in Aframax tankers to extend these two time charters for three-month firm periods at very favorable in charter rates of $10,000, and $10,500 per day, respectively. Should spot market remakes rates remain stronger into the spring and summer of 2012, we have options to extend these time charters in for successive three- to four-month periods. Our ability to earn time charter out ships at $17,000 per day while in chartering ships at $10,000 per day is another example of how our tactical fleet management can add incremental value to our shareholders. Including the charters I've just discussed, and the fixed rate cash flows we receive from our investment in first priority mortgage loans, secured by two be VLCC new buildings, which are roughly the equivalent to two bareboat out charters, our total fixed cover for the first quarter is estimated to be a healthy 58%, and 47% for fiscal 2012.

Turning to slide 4 of the presentation, I will now review some of our highlights for fiscal year 2011, all of which align with Teekay Tankers' core business strategies of maximizing our dividends paid by tactically managing our mix of spot and charter contracts, expanding our fleet through accretive acquisitions, increasing the operating cash flow of our spot fleet by participating in commercial tonnage pools, and providing superior customer service by maintaining high reliability, safety, environmental and quality standards. Based on the distributable cash flows generated, Teekay Tankers will pay total dividends of approximately $46 million, or $0.72 per share, for the four quarters of 2011, representing a trailing 12-month yield of more than 15%, based on Teekay Tankers' current share price. Teekay Tankers finished the year financially strong and well-positioned for significant fleet growth, with approximately $360 million of available liquidity, including proceeds from our February equity offering. Our decision to be patient and not invest our available capital last year has proven to be prudent, as asset values have fallen 20% to 30% over the past year.

By participating in commercial tonnage pools, our spot traded fleet is able to benefit from greater economies of scale and the footprint of a significantly larger fleet. Over the past 12 months, our spot ships trading in the Teekay managed pools have outperformed our peers in all relevant comparable indices. This is especially important given the weak tanker market environment which persisted through 2011. Based on our current fleet, for every $1,000 per day our spot ships earn above comparable indices translates into $0.04 per share in higher annual dividends. Finally, the quality of our operations and our financial stability has continued to earn us the preference of our customers in 2011, enabling us to add or extend fixed rate contracts for four ships, and maintain a high degree of fixed rate cover during the current weak spot tanker market. The ability to lock in these fixed-rate charters at rates significantly above current spot market rates highlights the value of Teekay Tankers' sponsorship relationship with Teekay Corporation.

Turning to slide 5, we take a look at some of the challenges that the tanker market faced during 2011. After a strong rebound in the global economy during 2010, the world once again ran into some severe headwinds during the course of 2011. The European debt crisis and the devastating earthquake in Japan both had a negative impact on global economic growth and therefore oil demand, which grew by just 0.8 million barrels per day compared to 2.8 million barrels per day in 2010. A number of additional demand factors weighed negatively on the tanker market during 2011. Firstly, US seaborne crude oil imports were the lowest since 1996, at just 6.8 million barrels per day, due to a combination of lower oil demand, an increase in imports via pipeline from Canada, and higher domestic oil production. Secondly, the war in Libya removed around 1.1 million barrels per day of crude oil from the market during 2011. This was negative for Aframax demand in the Mediterranean, and also led directly to the 90 million barrel strategic petroleum reserves release in the US, Europe, and Japan, which was negative for crude tanker demand. Thirdly, average voyage distances got shorter in 2011, as Asian buyers sourced a greater percentage of their crude imports from the Middle East versus long-haul Atlantic Basin suppliers. This was due to the large spread between the price of Middle Eastern crude and crude produced in the Atlantic, with the Brent-Dubai price spread reaching a high of $8.00 per barrel in June, 2011. The resultant shortening of voyage distances had a negative impact on tanker ton mile demand during the course of the year. Finally, an absence of floating storage, due to oil prices being in backwardation for much of the year, took away a source of tanker demand which had underpinned the market and supported rates through much of 2010.

On the tanker supply side, 39 million deadweight of new tankers delivered into the global fleet during 2011. These deliveries are the results of record levels of new tanker orders placed during the peak of the market cycle in 2007 and 2008. In addition to a high level of deliveries, tanker scrapping fell by 10 million deadweight during 2011, as the successful phase-out of single hull tankers during 2010 left the fleet with a much younger age profile and fewer scrapping candidates. The net results of all of these changes is that tanker demand grew by just 2% in 2011, while the tanker fleet grew by 6%. This led to a decline in tanker fleet utilization and lower spot tanker rates through the course of the year.

Turning to slide 6, we look at more recent developments in spot tanker rates. A number of factors led to the return of spot rate volatility during the winter months, which gave rise to two distinct rate spikes in October and January. Seasonal weather delays were the primary drivers of the rate spikes, particularly during January, when delays in the Turkish Straits reached 18 days per round-trip. In addition, the return of Libyan oil production gave a boost to crude tanker demand in the Mediterranean and also helped narrow the Brent-Dubai spread, which led to more oil moving long-haul from the Atlantic to Pacific. Finally, strong Chinese oil imports in recent weeks has also helped tanker demand, with strong seasonal buying in the run-up to Chinese New Year being supplemented by the filling of the second phase of China's strategic petroleum reserve.

On slide 7, we look ahead to 2012, starting with the outlook for demand. The chart on the top left-hand part of the slide shows 2012 oil demand estimates from various organizations. There appears to be little consensus among forecasters on the level of oil demand growth in the coming year, with estimates ranging from 0.8 million to 1.7 million barrels per day. Most forecasters agree that non-OECD oil demand will remain strong during 2012. But the outlook for OECD countries is less certain, with the European debt crisis and its effect on the economy being a key variable. We have assumed a base case of 1 million barrels per day growth in global oil demand during 2012, though there is upside from this, if developed world economies rebound quicker than expected. Extra demand could also come from the filling of China's new 79 million barrel strategic petroleum reserve, which has the potential to boost demand by an extra 220,000 barrels per day during the course of the year.

The chart on the bottom left-hand part of the slide highlights the recent narrowing of the Brent-Dubai oil price spread, which currently stands at around $3.00 per barrel, versus a peak of $8.00 per barrel in mid-2011. This is important, as it encourages Asian buyers to source more of their crude imports from the Atlantic Basin versus the Middle East, which is positive for tanker ton mile demand. We are already starting to see some evidence of this shift, with Asia projected to import 1.8 million barrels per day of West African crude in Q1 2012, versus average imports of 1.5 million barrels per day in 2011. Given our oil demand growth outlook of 1 million barrels per day, and our outlook for longer voyage distances, we estimate that tanker demand will grow between 4% and 5% during 2012.

Turning to slide 8, we take a look at tanker supply. 2011 saw the lowest level of new tanker orders since 1995, with just 7.5 million deadweight of orders placed. As a result, the tanker order book, represented by the green bars in the top left-hand chart, has shrunk considerably in recent months and currently stands at just 80 million deadweight, the lowest level since 2004. When measured as a percentage of the fleet, as represented by the line on the chart, the order book is the lowest since the end of 2000, at 17%. We believe that tanker ordering will remain low during 2012, due to a lack of available financing, which will help further reduce the size of the order book in the coming months and lead to lower levels of fleet growth in 2012 and beyond.

In addition to a declining order book, we believe that tanker scrapping could be poised to increase, due to mounting charter discrimination against older ships, which is leading to vessels being scrapped at a younger age than in the past. The chart on the bottom left-hand side shows that the average scrapping age for crude tankers has fallen from 26 years in 2006 to just under 21 years. 20% of the tankers scrapped since the start of 2011 were aged 20 years or younger, including 19 Aframaxes. This compares to just 7% of vessels scrapped in 2010 being aged 20 or younger, due to the high number of older single haul vessels which were phased out in that year. Looking ahead, the Aframax fleet has 68 vessels aged 20 years or older, which are potential scrap candidates and which can help to mitigate fleet growth during the course of 2012. Given a declining order book and increased scrapping potential, we estimate that tanker fleet growth will decline from nearly 6% in 2011 to around 4.5% in 2012, and 3.5% or lower in 2013.

Slide 9 is an update of the chart we have shown in previous earnings releases, which outlines our case for a tanker market recovery starting towards the end of 2012. On the chart, the green bars represent tanker demand growth and the orange bars represents fleet growth, while the vertical lines for the years 2012 and 2013 show the range of values which could arise depending on various up and downside factors. As outlined previously, we believe that tanker fleet growth of 4.5% in 2012 will be balanced by tanker demand growth of 4% to 5%, meaning there should be little change in overall tanker fleet utilization. However, we anticipate that the balance will start to tip during the second half of the year as fleet growth begins to slow, and that this will lead to improve utilization rates by the end of 2012 and into 2013.

Slide number 10 provides an updated snapshot of our fleet employment outlook, with spot traded vessels at the top of the chart and our fixed-rate contract towards the bottom. Currently, nine of our tankers are operating under fixed rate contracts, and four of these have profit sharing components which provide additional upside in the event of a stronger spot tanker market. The remaining fleet, including the two time chartered in vessels, are currently trading in either the Teekay Aframax pool or the Gemini Suezmax commercial pool. The recent three-year time charter out of the Helga Spirit and two-year extension of the Kyeema Spirit time charter, in addition with our fixed rate VLCC mortgage loans, will provide Teekay Tankers with enhanced fixed cover over the next two years. The overall amount of fixed cover is currently scheduled to reduce from approximately 47% in 2012 to approximately 23% in 2013, which aligns with our expected timing for improvement in spot tanker rates, based on industry fundamentals I discussed earlier.

Turning to slide 11, we have provided our guidance metrics for the Teekay Tankers first quarter 2012 dividend, which reflects our current fleet employment profile and our recent equity raise. The strengthening in spot rates towards the end of the fourth quarter has had an even greater benefit on our first quarter results to date. So far for the first quarter, based on approximately two-thirds of revenues days booked, we have realized an average time charter equivalent rate of approximately $21,000 per day for our three spot traded Suezmax tankers, and $13,000 per day for our five spot traded Aframax tankers, including the two time chartered in vessels. Compared to our realized fourth quarter spot rates of just over $12,900 and $8,500 per day for Suezmaxes and Aframaxes, respectively, this is a significant bump up. However, with rates softening from the January and early February levels, final first quarter average TCE rate may come in somewhat lower.

Turning to slide 12, given the financial difficulties of many of our spot oriented conventional tanker peers, it is especially important to highlight Teekay Tankers' continued financial strength, which we believe is a competitive advantage and enhances our ability to pay a favorable dividend to shareholders. First, our low cost of debt, with a fully swapped out interest rate of 3.7%, means we have more distributable cash flow to pay out as dividends each quarter. Second, unlike many of our peers, we have no financial covenants concerns. Unlike many of our peers, we do not have any significant loan to hull value covenants, only a requirement to maintain a liquidity level equivalent to 5% of our total drawn debt, or a minimum of $35 million in the form of cash or undrawn revolver room. Finally, we have a favorable debt repayment profile, with only $1.8

million of amortization payments annually and no significant principal repayment until 2017. As with low interest rates, all other things being equal, our low annual principal payments mean we have more distributable cash flow to pay out to shareholders each quarter.

We believe this financial strength is a differentiator for Teekay Tankers. With approximately $360 million of liquidity currently available, including the proceeds from our recent equity offering, we are well-positioned to act on attractive asset acquisition opportunities at an optimal point in the cycle, which will allow us to gain increased operating leverage to an eventual recovery in tanker rates, which leads me to slide 13, Teekay Tankers' priorities for fiscal 2012. In short, our main priority for fiscal 2012 is to invest our available capital in profitable growth.

Although the stated use of proceeds at our February, 2012 equity offering was to pay down revolvers, we fully intend to put this money to work in the near to intermediate term, and take advantage of the attractive prices we are now seeing for quality shipping assets. Our preference will be to stick with what we know, and focused on our core midsize Aframax and Suezmaxes tanker franchises, where we believe the long-term trading prospects are favorable and we have sufficient scale. In addition, based on the changes currently underway in the global refining market, we will also consider expansion into long-haul product tanker market, which we believe will present attractive trading dynamics over the coming shipping cycle.

Operator, we are now available to take questions.

Operator: Thank you. Ladies and gentlemen if you would like to ask a question, press star one on your touchtone phone. To withdraw your question press the pound sign. If you use a speakerphone lift your handset before entering your request. We’ll pause for a moment to assemble the queue. Your first question comes from Jon Chappell of Evercore Partners.

Jon Chappell: Thanks. Good morning, guys.

Bruce Chan: Good morning.

Jon Chappell: Bruce, couple quick questions for you off the dividend matrix. First of all, just want to be clear on the share count that's going to be used for the first quarter dividend. Is that going to be the weighted average as the note states, or will it be off the share count post the (unintelligible) offering?

Bruce Chan: Good question. As consistent with prior quarters where we've done equity offerings, it's done off the weighted average for that quarter.

Jon Chappell: Okay. Good. And then I think I've asked this before, but just about the geographic exposure of your fleet. So in the Teekay Corporation quarter to date bookings for Aframaxes, they said they had done about $10,000 through two-thirds. And for Teekay Tankers, you've done about $13,000. Now, I realize the Caribbean market's been a lot stronger than a lot of the other markets, so I'm just wondering about the remaining third of the quarter. Where is the fleet primarily located right now, and which markets may you have more exposure to?

Bruce Chan: Right. Just to be clear on the difference between what Teekay Corp was reporting and what Teekay Tankers reports, it's because Teekay Corp has older Aframax tankers, i.e. greater than 15 years of age, which doesn't participate in the Aframax pool. The Aframax pool is just for modern ships. So all of TNK's Aframaxes participate in the pool, and so the $13,000 per day is representative of the pool, just for clarity, whereas Teekay Corporation's is more of a mix.

Jon Chappell: Got it.

Bruce Chan: And so that pool is geographically spread, with exposure to the Caribbean, but majority in the Pacific. So it's a little bit of a mix. So in certain quarters, obviously when the Caribbean is stronger, we take advantage of it, but it is primarily in the Pacific.

Jon Chappell: Okay. So when we think about those the last third of the year – or the quarter, I know it's difficult to say, but would a 50-50 mix be more accurate, or still be a little bit more skewed to the Pacific?

Bruce Chan: A little bit more skewed to the Pacific, like 60-40, or two thirds, one third.

Jon Chappell: Got it. And then just a question on the charter ins that will be expiring in March and April this year, when do you need to extend the options by? March is just around the corner. And then also, what are the rates on the extensions for those ships?

Bruce Chan: The rates on the extensions, for the first extensions, are the same as the $10,000 and $10,500. And they are coming up in the next couple of weeks here. So we will be taking a view of how we're seeing the market on the declaration date, and I would say the likeliness is that we will extend the charters.

Jon Chappell: Okay. And that's your decision, not the owners?

Bruce Chan: That's right. That's our decision.

Jon Chappell: Got it. And then also, on charter outs, obviously the charter coverage falls pretty significantly in the second half of the year, and as you said, kind of times well with your views on the market. But if the time charter market lags the spot market, as it typically does, what's your view of going into 2013 with more spot exposure than you would normally like to have?

Bruce Chan: I think as we've seen, as our track record proves, if there are opportunities and some of our customers continue to prefer our tonnage and offer us extensions to extend the charters and/or have new requirements, we may see again some additional fixed cover into 2013 just to continue with the hedge book, and then provide with more upside as the year progresses.

Jon Chappell: Okay. And then last one, your liquidity situation 's obviously been talked about and I won't even try to get you to talk about what you may buy or the timing of that, but if you were to make a transformative acquisition with significant new tonnage, have you thought at all about changing the dividend policy to where you'd have a more fixed payout and more visibility around the payout of the dividend?

Bruce Chan: It's certainly something that we would consider at the time. Obviously, a transformative transaction would involve a lot of moving parts. We look at our pro forma leverage and the fleet composition and spot exposure and try to manage all of the risks together, and I think that combines. And obviously the dividend policy would be one of the factors that we would evaluate.

Jon Chappell: Great. Thanks so much for your time, Bruce.

Operator: Your next question comes from Michael Webber of Wells Fargo Securities.

Michael Webber: Good morning. I did want to ask about acquisitions. And I know, just on the Teekay call, I know you guys aren't going to get into specifics, but you raised capital about a year ago at a higher level and you can back to the market more recently. Clearly, a pretty big signal you guys are close to something, or looking at something at least. Can you talk about whether or not you guys have done any vessel vettings, whether you've placed any bids, be it with Teekay, or with third-party owners? Can you maybe give a little bit of color in terms of how aggressively you guys are looking to deploy that capital, to the best that you can?

Bruce Chan: I can't comment on any specifics. We're clearly looking at all of our alternatives, third-party, and waiting for Peter to make me an offer I can't refuse. (laughter) So I think cash right now and having the liquidity as a competitive advantage, and it gives us the ability to survey the landscape. And there are more opportunities to buy than for people who are looking to sell right now.

Michael Webber: Okay. Fair enough. You mentioned on your last slide, you're considering expansion into the product tanker market, either, obviously, three MRs up at the parent that have charters on them, but there also some LRs at some competitors that might be up for bid. Can you talk a little bit about which specific asset segments within the product tanker market you guys would look at, or what's really piquing your interest here?

Bruce Chan: From our – looking at our sponsors, Teekay Corporation's pooling and commercial presence, we have – they have the Taurus tankers pool, which is a LR 2 pool, and we think that it's complementary to Aframaxes and coated Aframaxes. It gives the optionality of trading dirty when the dirty market is higher, but then if the long haul product market develops and becomes stronger with the results of these refinery closures in Europe and the US, that then it gives the ability for the ship owner to trade in the market both clean or dirty, whichever happens to be the most advantageous. So we see that that is a very interesting market for us, and would be one that we focus on.

Michael Webber: Is it more focused on that Aframax segment?

Bruce Chan: I think that's just a natural synergy. We would look at the other areas, but having the ability to trade flexibly as well as have a Teekay -managed pool where we have scale is an advantage.

Michael Webber: Sure. Okay. That makes sense. You've had some time now within your pools, or you had some tankers leave your pools, I guess more than a couple months ago. So you've had some operational time now. Have you noticed any major difference in terms of pool performance, maybe you can talk about that going forward?

Bruce Chan: Well, no, the pools have, as you say, we've had some people come in and some people leave. It's still pretty early there. Overall, the pools are continuing to perform well and the scale is there. So if anything, our pools, the change has allowed us to reduce the average age and have a more modern fleet. And that, on balance, should be beneficial going forward.

Michael Webber: Okay. Great. That's all I got, guys. Thanks for the time.

Bruce Chan: Thank you.

Operator: Thank you. As a reminder, ladies and gentlemen if you would like to ask a question, please press star one on your touchtone phone. And we do have a question Martin Roher with MSR Capital Management.

Martin Roher: Thank you. Excellent presentation, appreciate it. But the question I have, Bruce, is how confident are you that the investment opportunities will be sufficient to offset the apparent dilution from the recent equity offering? Nobody's posed the question quite that way, but can you give us your thoughts that led up to the equity offering when you already had a very liquid balance sheet?

Bruce Chan: Right. Good question. Thank you, Marty.

That was clearly part of the analysis when we looked at raising the equity. And where we see shipped values now and the number of potential opportunities or alternatives out there, we're pretty confident that we will be able to employ the capital in either a transformative deal or another use that will increase both the operating leverage to the upside to the tanker market, as well as increase all kind of key metrics accretive to dividends and number of ships per share, et cetera. So that was definitely part of the analysis we looked at.

Martin Roher: Thanks a lot and good luck.

Bruce Chan: Thank you.

Operator: And our next question comes from Justin Yagerman of Deutsche Bank.

Josh Katzeff: Good morning, guys. This is Josh Katzeff on for Justin.

Bruce Chan: Hello, Josh.

Josh Katzeff: I just wanted to jump back into the acquisitions and follow on maybe some of Mike's comments As far as deploying capital within the crude or product space, do you have maybe a target mix where you'd want to spend that cash? Or are you just going to be opportunistic within each space?

Bruce Chan: I think it's a little bit of both. You want to be opportunistic, and it depends on just how opportunistic the alternatives are. But there certainly is some merit into expanding into complementary areas like LR2s, which are very similar to just a coated Aframax, and provide the ability to take advantage of crude and clean markets, when the opportunities present itself. So I wouldn't say there's a target. It's kind of a way of looking at the best way to spend the money.

Josh Katzeff: Got it. And as far as deploying that capital, how do you think about your leverage going forward? Are you planning on really levering up, now that we are at or near a bottom?

Bruce Chan: I guess a traditional way of looking at it in terms of a cyclical industry like ours is that more leverage at the bottom as you head into a recovery is beneficial. It provides greater equity returns and upside and leverage to the recovery. And so that is a general rule of thumb that we do look at is that we would be willing to lever up more, as we head into a recovery.

Josh Katzeff: Can you quantify maybe a max we should we go to, maybe 60%, 70% debt to cap?

Bruce Chan: It really depends on how much, again as we've said, how much spot exposure you would have, what type of contracts you have in place at the time. And so there isn't really– obviously, you wouldn't want to hit a high level where you're into a potential distress if something goes wrong, but you'd be willing to take a higher leverage.

Josh Katzeff: And as far as new buildings go, are they still on the table? You have the one VLCC JV, that was clearly a one-off event. But would you like to maybe buy newer ships with more efficient engines?

Bruce Chan: It's certainly an alternative. There are pros and cons to both. One is – not being on the water, you don't immediately realize the benefits of any recovery, and obviously it involves more capital, that's higher invested capital per asset. But there's also, as you say, upside in terms of more efficiencies and a newer fleet. So it's certainly an alternative that is – we will be weighing off as one of the uses of our capital.

Josh Katzeff: And just one more question. Just with regard to the Nassau Spirit and the Kyeema Spirit, those are two older Aframaxes, I understand they are still trading in the pool, but they're also spot. Is there any thought about maybe selling those and using some of the proceeds to buy more modern Aframaxes?

Bruce Chan: It's certainly – obviously just in any market we look at, as certain assets get older, you look at the ability to modernize and sell, and then move up. It would also depend on market conditions at the time. Right now, second hand, older units have fallen in value greater than modern units, and so one could argue there's greater upside potential when the market returns on those units than there are others. So it's something that we will look at. At some point, obviously, you do have to renew those ships.

Josh Katzeff: Got it. Thanks for the time, guys.

Operator: Thank you. There are no further questions at this time. Please continue.

Bruce Chan: Well, thank you, everyone, for your support. Look forward to speaking to you next quarter.

Operator: Thank you. Ladies and gentlemen, this concludes the conference call for today. We thank you for your participation. You may now disconnect your line, and have a great day.

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