

INDEPENDENT TANKERS CORPORATION LIMITED

THIRD QUARTER AND NINE MONTHS 2011 RESULTS

Highlights

- Independent Tankers reports a net loss of \$2.3 million, equivalent to a loss per share of \$0.03 for the third quarter of 2011.
- Independent Tankers reports net income of \$5.8 million, equivalent to earnings per share of \$0.08, for the nine months ended September 30, 2011.
- The UK tax leasing arrangement for the VLCC British Pride was terminated and the fixed period charter ended in July 2011.

Introduction

Independent Tankers Corporation Limited (the “Company” or “Independent Tankers”) was incorporated in Bermuda on January 18, 2008 and the shares have traded on the Norwegian over-the-counter market since March 7, 2008. Independent Tankers’ business is mainly concentrated on the ownership and operation of crude oil tankers on long term bareboat contracts to major oil companies and two vessels operating in the spot market. Independent Tankers owns six VLCC's and three Suezmax tankers. All vessels are financed through bonds in the US market. The main shareholder is Frontline Ltd. (“Frontline”) with an ownership of approximately 83 percent.

Third Quarter and Nine Months 2011 Results

The Board of Independent Tankers announces a net loss of \$2.3 million, equivalent to a loss per share of \$0.03 for the third quarter of 2011. This compares with a net loss of \$0.05 million, equivalent to a loss per share of \$0.001 for the preceding quarter. The decrease in net income is primarily attributable to weaker results for the two vessels trading in the spot market.

The Ulriken (formerly Antares Voyager) and the Pioneer continued to trade in the spot market and the average daily time charter equivalents (“TCEs”) earned in the third quarter was \$5,200 and \$10,300, respectively. The average daily bareboat rate earned in the third quarter by the Company’s VLCCs was \$22,600, which represents a small decrease compared with the preceding quarter due to a rate decrease on the VLCC British Pride following the end of the fixed period charter in July.

Interest income for the quarter decreased by \$1.3 million compared to the previous quarter to \$0.2 million. This is primarily attributable to the termination of the UK tax leasing arrangement for the VLCC British Pride on July 15, 2011. Interest expense in the third quarter also decreased for the same reason. At September 30, 2011, all of the Company’s bond debt of \$288.1 million is at fixed interest rates ranging from 7.84% to 8.52%.

In November 2011, the average total cash cost breakeven rates for the remaining part of 2011 is \$32,400 per day for the two spot trading VLCCs and \$19,200 per day for the four bareboat vessels.

Chartering Summary

In July 2011, BP extended the bareboat charters for the VLCCs British Purpose and British Pride for one additional year. As a result, the British Purpose will trade on a market rate with a minimum bareboat rate of \$20,000 per day from July 15, 2011 until July 14, 2013. The British Pride traded on a bareboat rate of \$24,895 per day until the fixed period ended on July 30, 2011 and will trade on a market rate with a minimum bareboat rate of \$20,000 per day until July 30, 2013.

Other Matters

On July 15, 2011, the UK tax lease arrangement between Holyrood Shipping plc and Dresdner Kleinwort Leasing for the VLCC British Pride was terminated and the outstanding lease obligation was settled in full using restricted cash. At June 30, 2011 the lease obligation was \$70.3 million and the termination was cash neutral for the Company. The

vessel was sold to Holyrood Petro Limited, a previously dormant subsidiary of the Company, which simultaneously entered into a lease with Holyrood Shipping Plc.

74,825,166 ordinary shares were outstanding as of September 30, 2011, and the weighted average number of shares outstanding for the first quarter was also 74,825,166.

The Market

The market rate for a VLCC trading on a standard 'TD3' voyage between the Arabian Gulf and Japan in the third quarter of 2011 was WS 47, representing a decrease of about WS 6 points from the second quarter of 2011 and a decrease of WS 5.5 points from the third quarter of 2010. Present market indications are approximately \$12,000/day in the fourth quarter of 2011.

Bunkers at Fujairah averaged \$664/mt in the third quarter of 2011 compared to \$657/mt in the second quarter of 2011; an increase of \$7/mt. Bunker prices varied between a low of \$626.5/mt at the end of September and a high of \$699.5/mt on the 1st of August. On November 18th, 2011, the quoted bunker price in Fujairah was 677/mt.

Philadelphia bunkers averaged \$675/mt in the third quarter, which was a decrease of \$6/mt from the second quarter of 2011. Bunker prices varied between a low of \$640.5/mt mid August and a high of \$705.5/mt at the end of July. On November 18th, 2011, the quoted bunker price in Philadelphia was 658/mt.

The International Energy Agency's ("IEA") November 2011 report stated an average OPEC oil production, including Iraq, of 30 million barrels per day (mb/d) during the third quarter of the year. This was an increase of 540,000 barrels per day compared to the second quarter of 2011 and an increase of 720,000 barrels per day compared to the third quarter of 2010.

IEA further estimates that world oil demand averaged 89.6 mb/d in the third quarter of 2011, representing an increase of approximately 1.7 mb/d compared to the previous quarter, and an increase of approximately 540,000 barrels per day from the third quarter of 2010.

The VLCC fleet totalled 588 vessels at the end of the third quarter of 2011, up from 574 vessels at the end of the previous quarter. 14 VLCCs were delivered during the quarter. The orderbook counted 131 vessels at the end of the third quarter, down from 143 orders from the previous quarter. Two new orders were placed during the quarter, and the current orderbook represents about 22 percent of the VLCC fleet. According to Fearnleys the single hull fleet stands at 35 vessels.

The newbuilding orderbook at the end of the third quarter 2011 includes a high number of expected vessel deliveries remaining in 2011 and in 2012. However, the actual number of deliveries is likely to be lower due to the expected delays, slippage and cancellations of newbuilding orders going forward.

The International Monetary Fund forecasts world growth to rise by approximately 4.0 percent in 2012 compared with 2011 and the IEA projects an increase in world's oil consumption in 2012 by 1.3 mb/d and 1.5 percent compared to 2011. This is not enough to absorb the newbuilding orderbook, but will help mitigate.

Strategy and Outlook

The Company's strategy is mainly concentrated around chartering out vessels on long term charters to reputable oil companies, for the time being BP and Chevron. The Company's charter coverage for its six double hull VLCCs is 67 percent for the remaining part of 2011, 67 percent in 2012 and 23 percent in 2013 if the charters are not extended. The charter coverage for the three double hull Suezmax tankers is 100 percent until 2015.

Independent Tankers has historically not been influenced by spot market exposure due to fixed bareboat contracts on all the vessels. As a consequence of the termination of the bareboat charters for the VLCCs Pioneer and Ulriken, the Company will be exposed to market fluctuations for these vessels. Frontline, as manager, is obligated to seek to find potential buyers for the vessel subject to certain price requirements and a bondholders meeting must be held in order to approve or reject any offers. If there are no buyers or an offer is rejected by the bondholders, Frontline needs to seek bareboat, time or spot charters for the vessels which meet the requirements of the indentures.

The broker valuations received for the vessels at September 30, 2011 indicate that the market values of the Windsor vessels are lower than the net debt of the vessels. The two VLCCs in the Golden State Petroleum bond structure had estimated market values that were higher than the net debt of the vessels. Whether the estimated market values can be achieved through actual transactions is highly uncertain due to the lack of liquidity in the secondhand sale and purchase market for VLCCs. There is also uncertainty to what extent the negative developments in the tanker market since September 30 have influenced values.

During the third quarter of 2011, the Windsor Petroleum bond structure was downgraded from B3 to Caa1 by Moody's Investors Service and from BB+ to BB- by Standard and Poor's Rating Services. The reason for the downgrading was the negative development in the tanker market.

The Company will continue to operate with low cash cost breakeven rates and financing through the US bond market with maturities from 2015 to 2021. The fixed minimum bareboat rates of \$20,000 per day for three of the VLCCs and the fixed bareboat contract of Phoenix Voyager, in addition to the long term financing, supports the debt of the Company until 2013 if the contracts are not extended. However, with current market rates being below operating expense levels for the two spot trading vessels Ulriken and Pioneer, the company will have to draw further on the restricted cash reserves to operate these vessels. The uncertainties around a potential sale or a charter to a non-investment grade counterparty for Ulriken and Pioneer, increase the risk of the Company and might have a negative influence on the Company's future profit and credit profile.

Forward Looking Statements

This press release contains forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this press release include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the tanker market as a result of changes in OPEC's petroleum production levels and world wide oil consumption and storage, changes in the Company's operating expenses including bunker prices, drydocking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company with the Norwegian over-the-counter market in Oslo.

The Board of Directors
Independent Tankers Corporation Limited
Hamilton, Bermuda
November 21, 2011

Questions should be directed to:
Magnus Vaaler: Vice President Finance, Frontline Management AS
+47 23 11 40 21

WEBSITE: WWW.ITCL.BM

INDEPENDENT TANKERS CORPORATION LIMITED
THIRD QUARTER REPORT (UNAUDITED)

2010 Jul-Sept	2011 Jul-Sept	CONDENSED CONSOLIDATED INCOME STATEMENTS <i>(in thousands of \$)</i>	2011 Jan-Sept	2010 Jan-Sept	2010 Jan-Dec <i>(audited)</i>
13,234	15,758	Total operating revenues	52,194	42,769	55,097
-	-	Gain on sale of assets	-	95	95
-	5,997	Voyage expenses and commissions	19,161	-	-
-	1,337	Ship operating expenses	4,177	-	284
289	298	Administrative expenses	688	842	1,014
4,391	4,391	Depreciation	13,172	13,259	17,649
4,680	12,023	Total operating expenses	37,198	14,101	18,947
8,554	3,735	Operating income	14,996	28,763	36,245
2,645	228	Interest income	3,796	10,294	12,872
(6,346)	(6,019)	Loan interest expense	(18,328)	(19,568)	(25,855)
(1,358)	(13)	Capital lease interest expense	(2,417)	(5,822)	(7,018)
-	-	Fees paid on early redemption of bond debt	-	-	(2,731)
-	-	Gain on termination of funding agreement	8,800	-	3,598
(490)	(162)	Other financial items	(629)	(3,365)	(1,202)
(120)	(111)	Equity losses from unconsolidated subsidiaries	(411)	(405)	(515)
(46)	1	Foreign currency exchange (loss) gain	(26)	70	85
2,839	(2,341)	Net income (loss)	5,781	9,967	15,479

\$0.04	\$(0.03)	Basic and diluted earnings per share (\$)	\$0.08	\$0.13	\$0.20
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		Time charter equivalent (\$ per day per vessel)			
24,200	22,600	VLCC – bareboat	23,100	24,500	24,200
-	7,800	VLCC – spot market	14,200	-	-
-	-	Suezmax (excl. Front Voyager termination fee)	-	7,900	7,900

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CONDENSED CONSOLIDATED BALANCE SHEETS <i>(in thousands of \$)</i>	Sept 30 2011	Sept 30 2010	Dec 31 2010 <i>(audited)</i>
ASSETS			
Short term			
Cash and cash equivalents	3,057	4,080	2,685
Restricted cash	96,804	163,014	181,642
Other current assets	11,045	1,600	2,322
Long term			
Vessels, net	302,882	264,413	260,751
Vessels under capital lease, net	-	56,031	55,302
Investment in unconsolidated subsidiaries	2,481	3,002	2,892
Total assets	416,269	492,140	505,594
LIABILITIES AND EQUITY			
Short term			
Short term debt and current portion of long term debt	52,145	48,152	48,152
Current portion of obligations under capital lease	-	69,393	67,909
Other current liabilities	20,168	22,799	32,220
Long term			
Long term debt	268,992	288,137	288,137
Equity	74,964	63,659	69,176
Total liabilities and equity	416,269	492,140	505,594

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2010 Jul-Sept	2011 Jul-Sept	CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOWS <i>(in thousands of \$)</i>	2011 Jan-Sept	2010 Jan-Sept	2010 Jan-Dec
		OPERATING ACTIVITIES			
2,839	(2,341)	Net income (loss)	5,781	9,967	15,479
		Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
4,390	4,391	Depreciation and amortization	13,172	13,290	17,681
-	-	Gain on sale of assets	-	(95)	(95)
45	(1)	Unrealized foreign currency exchange loss (gain)	26	(71)	(85)
120	111	Equity losses from unconsolidated subsidiaries	411	405	515
4	-	Stock compensation	7	23	29
-	-	Gain on termination of funding agreement	(8,800)	-	(3,598)
165	3	Other, net	3	(964)	(953)
(15,334)	(13,997)	Change in operating assets and liabilities	(20,964)	(17,397)	(8,799)
(7,771)	(11,834)	Net cash (used in) provided by operating activities	(10,364)	5,158	20,174
		INVESTING ACTIVITIES			
83,387	92,264	Change in restricted cash	96,894	150,268	133,858
-	-	Proceeds from sale of vessel	-	8,560	8,560
83,387	92,264	Net cash provided by investing activities	96,894	158,828	142,418
		FINANCING ACTIVITIES			
(7,122)	(7,724)	Repayments of long term debt	(15,152)	(22,506)	(22,506)
-	-	Proceeds from debt, net of fees paid	(165)	(165)	(165)
(66,951)	(70,841)	Repayment of capital lease obligations	(70,841)	(138,537)	(138,538)
(74,073)	(78,565)	Net cash used in by financing activities	(86,158)	(161,208)	(161,209)
1,543	1,865	Net increase in cash and cash equivalents	372	2,778	1,383
2,537	1,192	Cash and cash equivalents at start of period	2,685	1,302	1,302
4,080	3,057	Cash and cash equivalents at end of period	3,057	4,080	2,685

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <i>(in thousands of \$, except for number of shares)</i>	Sept 30 2011	Sept 30 2010	Dec 31 2010 <i>(audited)</i>
NUMBER OF SHARES OUTSTANDING			
Balance at beginning and end of period	74,825,166	74,825,166	74,825,166
SHARE CAPITAL			
Balance at beginning and end of period	22,448	22,448	22,448
CONTRIBUTED SURPLUS			
Balance at beginning of period	133	104	104
Stock compensation	7	24	29
Balance at end of period	140	128	133
RETAINED EARNINGS			
Balance at beginning of period	46,595	31,116	31,116
Net income	5,781	9,967	15,479
Balance at end of period	52,376	41,083	46,595
TOTAL EQUITY	74,964	63,659	69,176