TSAKOS ENERGY NAVIGATION LTD
Form 424B5
April 20, 2012
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FILED PURSUANT TO RULE 424(B)(5)
(REGISTRATION NO. 333-159218)

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JULY 14, 2009

10,000,000 Common Shares

TEN LTD

Tsakos Energy Navigation Limited is offering for sale 10,000,000 of its common shares.

Entities affiliated with the Tsakos Holdings Foundation, which is our largest shareholder, will purchase 2,000,000 of the common shares sold in this offering.

Our common shares are listed on the New York Stock Exchange under the symbol TNP. The last reported sale price of our common shares on the New York Stock Exchange on April 18, 2012 was $6.73 per share.

We have granted the underwriters the right to purchase 1,500,000 additional common shares within 30 days from the date of this prospectus supplement.

Investing in our common shares involves risks. See Risk Factors beginning on page S-11 of this prospectus supplement before you make an investment in our shares.

	Per Share	Total
Public offering price	$ 6.5000	$ 65,000,000
Underwriting discount(1)	$ 0.2925	$ 2,340,000
Proceeds, before expenses, to TEN Ltd.	$ 6.2075	$ 62,660,000

(1) The underwriters will not receive an underwriting discount or commission on the sale of 2,000,000 common shares to the entities affiliated with the Tsakos Holdings Foundation. See Underwriting beginning on page S-41.

Delivery of the common shares will be made on or about April 24, 2012.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse

Morgan Stanley

Clarkson Capital Markets **Dahlman Rose & Company**

Brock Capital

The date of this prospectus supplement is April 18, 2012

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and accompanying prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus filed with the U.S. Securities and Exchange Commission (the SEC). We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date of this prospectus supplement and the accompanying prospectus, regardless of the time of delivery of this prospectus supplement or any sale of our common shares.

Before purchasing any common shares, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the headings Where You Can Find More Information and Incorporation of Certain Information by Reference in this prospectus supplement.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information from this prospectus supplement and the accompanying prospectus, but may not contain all information that may be important to you. The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference into this prospectus supplement or the accompanying prospectus. For a more complete understanding of the terms of the offered common shares, and before making your investment decision, you should carefully read this prospectus supplement and the accompanying prospectus; and the documents referred to in Where You Can Find More Information and Incorporation of Certain Information by Reference.

When we use the words the Company,   we,   us,   ours, and our, we are referring to Tsakos Energy Navigation Limited and its wholly owned subsidiaries.

Our Company

Tsakos Energy Navigation Limited is a leading provider of international seaborne crude oil and petroleum product transportation services and, as of March 31, 2012, operated a fleet of 48 modern crude oil carriers and petroleum product tankers that provide world-wide marine transportation services for national, major and other independent oil companies and refiners under long, medium and short-term charters. Our fleet also includes one 2007-built Liquefied Natural Gas (LNG) carrier. In addition, we are building two DP2 shuttle suezmax tankers, which we expect to take delivery of in the first and second quarters of 2013 and have agreed, subject to final documentation, to the construction of a 162,000 cbm LNG carrier for delivery in the first quarter of 2015. The resulting fleet (assuming no further sales and acquisitions) would comprise 51 vessels with approximately 5.5 million dwt. We do, however, expect to sell two VLCC vessels, *La Madrina* and *La Prudencia*, in 2012.

We have an option to purchase an additional 162,000 cbm LNG carrier. We also have options to purchase two 158,000 dwt suezmax tanker newbuildings. If we exercise all these options, the LNG carrier would be delivered in the fourth quarter of 2015, the first suezmax tanker newbuilding would be delivered from a South Korean shipyard during the second quarter of 2012 and the second suezmax tanker newbuilding would be delivered in the first quarter of 2013.

We believe that we have established a reputation as a safe, cost efficient operator of modern and well-maintained tankers. We also believe that these attributes, together with our strategy of proactively working towards meeting our customers chartering needs, has contributed to our ability to attract world-class energy producers as customers and to our success in obtaining charter renewals.

Our fleet is managed by Tsakos Energy Management Limited, or Tsakos Energy Management, an affiliate company owned by our chief executive officer. Tsakos Energy Management, which performs its services exclusively for our benefit, provides us with strategic advisory, financial, accounting and back-office services, while subcontracting the commercial management of our business to Tsakos Shipping & Trading, S.A. or Tsakos Shipping. In its capacity as commercial manager, Tsakos Shipping manages vessel purchases and sales and identifies and negotiates charter opportunities for our fleet. Until June 30, 2010, Tsakos Shipping also provided technical and operational management for the majority of our vessels. Tsakos Energy Management subcontracts the technical and operational management of our fleet to Tsakos Columbia Shipmanagement S.A., or TCM. TCM was formed in February 2010 by Tsakos family interests and a German private company, the owner of the ship management company Columbia Shipmanagement Ltd., or CSM, as a joint-venture ship management company. TCM, which formally commenced operations on July 1, 2010, now manages the technical and operational activities of all of our vessels apart from the LNG carrier *Neo Energy* which is technically managed by a non-affiliated ship manager and the VLCC *Millenium* which is on bareboat charter. In its capacity as technical manager, TCM manages our day-to-day vessel operations, including maintenance and repair, crewing and supervising newbuilding construction. Tsakos Shipping continues to provide commercial management services for our vessels, which include chartering, charterer relations, vessel sale and purchase, and vessel financing.

Our principal offices are located at 367 Syngrou Avenue, 175 64 P. Faliro, Athens, Greece. Our telephone number at this address is 011 30 210 9407710. Our website address is *www.tenn.gr*. Information on, and accessible through, our website is not part of this prospectus.

Our Fleet

As of March 31, 2012, our fleet consisted of the following 48 vessels:

VESSEL	YEAR BUILT	DEADWEIGHT TONS	CHARTER TYPE	EXPIRATION OF CHARTER	HULL TYPE(1) (ALL DOUBLE HULL)
VLCC					
1. Millennium	1998	301,171	Bareboat Charter	September 2013	
2. La Madrina	1994	299,700	Spot		
3. La Prudencia	1993	298,900	Spot		
SUEZMAX					
1. Silia T	2002	164,286	Time Charter	March 2015	
2. Triathlon(2)	2002	164,445	Time Charter	January 2014	
3. Eurochampion 2004(2)	2005	164,608	Time Charter	October 2012	Ice-class 1A
4. Euronike(2)	2005	164,565	Time Charter	September 2014	Ice-class 1A
5. Archangel(2)	2006	163,216	Time Charter	March 2014	Ice-class 1A
6. Alaska(2)	2006	163,250	Time Charter	September 2014	Ice-class 1C
7. Arctic(2)	2007	163,216	Time Charter	July 2012	Ice-class 1A
8. Antarctic(2)	2007	163,216	Time Charter	September 2012	Ice-class 1A
9. Spyros K(3)	2011	157,740	Time Charter	May 2022	
10. Dimitris P(3)	2011	157,648	Time Charter	August 2023	
AFRAMAX					
1. Proteas(2)	2006	117,055	Time Charter	March 2013	Ice-class 1A
2. Promitheas	2006	117,055	Spot		Ice-class 1A
3. Propontis	2006	117,055	Spot		Ice-class 1A
4. Izumo Princess	2007	105,374	Spot		DNA
5. Sakura Princess	2007	105,365	Spot		DNA
6. Maria Princess	2008	105,346	Time Charter	July 2012	DNA
7. Nippon Princess	2008	105,392	Time Charter	June 2012	DNA
8. Ise Princess	2009	105,361	Spot		DNA
9. Asahi Princess	2009	105,372	Spot		DNA
10. Sapporo Princess	2010	105,354	Spot		DNA
11. Uraga Princess	2010	105,344	Spot		DNA

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VESSEL	YEAR BUILT	DEADWEIGHT TONS	CHARTER TYPE	EXPIRATION OF CHARTER	HULL TYPE[(1)] (ALL DOUBLE HULL)
PANAMAX					
1. Andes[(3)]	2003	68,439	Time Charter	November 2013	
2. Maya[(3)(4)]	2003	68,439	Time Charter	September 2012	
3. Inca[(3)(4)]	2003	68,439	Time Charter	May 2013	
4. Selecao	2008	74,296	Time Charter	August 2014	
5. Socrates	2008	74,327	Time Charter	July 2014	
6. World Harmony[(3)]	2009	74,200	Time Charter	April 2013	
7. Chantal[(3)]	2009	74,329	Time Charter	June 2013	
8. Selini	2009	74,296	Pool		
9. Salamina	2009	74,251	Pool		
HANDYMAX					
1. Artemis	2005	53,039	Time Charter	November 2014	Ice-class 1C
2. Afrodite[(2)]	2005	53,082	Time Charter	January 2013	Ice-class 1C
3. Ariadne[(2)]	2005	53,021	Time Charter	September 2012	Ice-class 1C
4. Aris	2005	53,107	Pool		Ice-class 1C
5. Apollon[(2)]	2005	53,149	Time Charter	January 2013	Ice-class 1C
6. Ajax	2005	53,095	Pool		Ice-class 1C
HANDYSIZE					
1. Didimon	2005	37,432	Time Charter	March 2014	
2. Arion	2006	37,061	Pool		Ice-class 1A
3. Delphi	2004	37,432	Time Charter	November 2013	
4. Amphitrite (formerly Antares)	2006	37,061	Pool		Ice-class 1B
5. Andromeda	2007	37,061	Spot		Ice-class 1B
6. Aegeas	2007	37,061	Time Charter	October 2013	Ice-class 1B
7. Byzantion	2007	37,275	Spot		Ice-class 1B
8. Bosporos	2007	37,275	Spot		Ice-class 1B
LNG					
1. Neo Energy	2007	85,602	Time Charter	March 2016	Membrane
TOTAL VESSELS	**48**	**5,072,803**			

(1) Ice-class classifications are based on ship resistance in brash ice channels with a minimum speed of 5 knots for the following conditions ice-1A: 1m brash ice, ice-1B: 0.8m brash ice, ice-1C: 0.6m brash ice. DNA- design new aframax with shorter length overall allowing greater flexibility in the Caribbean and the United States.

(2) The charter rate for these vessels is based on a fixed minimum rate for the Company plus different levels of profit sharing above the minimum rate, determined and settled on a calendar month basis.

(3) These vessels are chartered under fixed and variable hire rates. The variable portion of hire is recognized to the extent the amount becomes fixed and determinable at the reporting date. Determination is every six months.

(4) 49% of the holding company of these vessels is held by a third party.

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Our Newbuildings Under Construction

On March 21, 2011, we ordered two suezmax DP2 shuttle tankers from Sungdong Shipbuilding in South Korea with expected delivery dates in the first and second quarters of 2013, respectively. The newbuildings have a double hull design compliant with all classification requirements and prevailing environmental laws and regulations. Tsakos Shipping has worked closely with the Sungdong shipyard in the design of all the newbuildings and continues to work with the shipyard during the construction period. TCM provides supervisory personnel present during the construction.

Our newbuildings under construction as of March 31, 2012 consisted of the following:

VESSEL TYPE	EXPECTED DELIVERY	SHIPYARD	DEADWEIGHT TONS	PURCHASE PRICE[1] (IN $MILLIONS)
SHUTTLE				
1. HULL S7001	1st Quarter 2013	Sungdong Shipbuilding	157,000	$ 92.8
2. HULL S7002	2nd Quarter 2013	Sungdong Shipbuilding	157,000	$ 92.8
TOTAL			**314,000**	**$ 185.6**

(1) Including extra cost agreed as of March 31, 2012

Under the newbuilding contracts, the purchase prices for the ships are subject to deductions for delayed delivery, excessive fuel consumption and failure to meet specified deadweight tonnage requirements. We make progress payments equal to 30% or 50% of the purchase price of each vessel during the period of its construction. As of March 31, 2012, we had made progress payments of $36.8 million out of the total purchase price of approximately $185.6 million for these newbuildings. Of the remaining amount, a further $55.2 million will be paid during 2012. As of March 31, 2012, we have secured bank financing for one of our two newbuilding vessels.

As described below under Recent Developments, we are entering into a newbuilding contract for one LNG carrier, with an option for another newbuilding LNG carrier, and have obtained options for two suezmax tanker newbuildings.

Recent Developments

LNG Carriers

We have agreed, subject to final documentation, to the construction by Hyundai Heavy Industries of one 162,000 cbm LNG carrier. The vessel, which will be equipped with the latest tri-fuel diesel electric propulsion technology, will be scheduled for delivery in the first quarter of 2015. We also have an option for the construction of a second LNG carrier of the same specification, whose delivery would be scheduled for the fourth quarter 2015, if we exercise the option.

Options on Suezmax Newbuildings

We have obtained options to acquire two 158,000 dwt suezmax newbuildings, the first of which would be expected to be delivered by Sungdong Shipyard in South Korea in this fiscal quarter, with the second newbuilding to be delivered in the first quarter of 2013. We would have a total of 14 suezmaxes in our fleet, if we acquire these vessels.

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New Chartering Arrangements for Handysize Product Tankers

We have recently arranged three and five year charters, respectively, for two of our modern handysize product tankers, which are currently operating under pooling arrangements, that are expected to commence in the second quarter of 2012.

Dividend Declaration

Our board of directors has declared a dividend of $0.15 per share payable on May 25, 2012 to shareholders of record as of May 21, 2012. Investors in this offering will receive this dividend if they continue to hold the shares purchased as of the close of business on the record date.

Unaudited Preliminary First Quarter 2012 Results

We have not completed our financial statements for the quarter ended March 31, 2012. However, based on our internal accounting records for the quarter ended March 31, 2012, we believe that voyage revenues for the first quarter of 2012 were between $80 million and $90 million and operating income for the first quarter of 2012 was between $1.5 million and $2.5 million.

The foregoing results of operations for the quarter ended March 31, 2012 are preliminary and have not been audited or reviewed by our independent registered public accounting firm. Our reported results may differ from our unaudited preliminary results and such variation could be material. The foregoing estimates represent our management s belief as of the date of this prospectus supplement and are subject to a variety of factors beyond our control outlined in Forward-Looking Statements.

Our Distinguishing Factors

Modern, high-quality, fleet. We own a fleet of modern, high-quality tankers that are designed for enhanced safety and low operating costs. Since inception, we have committed to investments of approximately $3.5 billion, including investments of approximately $2.7 billion in newbuilding constructions, in order to maintain and improve the quality of our fleet. We believe that increasingly stringent environmental regulations and heightened concerns about liability for oil pollution have contributed to a significant demand for our vessels by leading oil companies, oil traders and major government oil entities. TCM, the technical manager of our fleet, has ISO 14001 environmental certification and ISO 1001 quality certification, based in part upon audits conducted on our vessels.

Diversified fleet. Our diversified fleet, which includes VLCC, suezmax, aframax, panamax, handysize and handymax tankers, as well as one LNG carrier, allows us to better serve our customers international crude oil and petroleum product transportation needs. We have also committed a sizable part of our newbuilding and acquisition program to ice-class vessels and we have 21 ice-class vessels. We entered the LNG market with the delivery of our LNG carrier in 2007 and are entering into a contract for the construction of a 162,000 cbm LNG carrier which will be scheduled for delivery in early 2015 and will have the option for another LNG carrier of the same specifications. In addition, we have ordered two new suezmax DP2 shuttle tankers that are expected to be delivered in the first and second quarters of 2013, respectively.

Stability throughout industry cycles. Historically, we have employed a high percentage of our fleet on long and medium-term employment with fixed rates or minimum rates plus profit sharing agreements. We believe this approach has resulted in high utilization rates for our vessels. At the same time, we maintain flexibility in our chartering policy to allow us to take advantage of favorable rate trends through spot market employment and contract of affreightment charters with periodic adjustments. Over the last five years, our overall average fleet utilization rate was 97.3%.

High-quality, sophisticated clientele. For over 39 years, Tsakos entities have maintained relationships with and achieved acceptance by national, major and other independent oil companies and refiners. Several of the world s major oil companies and traders, including Petrobras, FLOPEC, BP, ExxonMobil, Hyundai Merchant Marine, Houston Refining, Mansel Oil, Dorado, Shell and Stena are among the regular customers of Tsakos Energy Navigation, in particular.

Developing LNG platform. We believe we are well positioned to capitalize on rising demand for LNG sea transport because of our extensive relationships with existing customers, strong safety track record, superior technical management capabilities and financial flexibility. We already operate one LNG carrier and have an agreed-upon newbuilding LNG carrier for delivery in the first quarter of 2015. In addition, we have an option to purchase an additional newbuilding LNG carrier for delivery in late 2015.

Significant leverage from our relationship with Tsakos Shipping and TCM. We believe the expertise, scale and scope of TCM are key components in maintaining low operating costs, efficiency, quality and safety. We leverage Tsakos Shipping s reputation and longstanding relationships with leading charterers to foster charter renewals. In addition, due to its anticipated size, we believe that TCM has the ability to spread costs over a larger vessel base than that previously of Tsakos Shipping, thereby capturing even greater economies of scale that may lead to additional cost savings for us.

Our Business Strategies

Capitalize on our extensive relationships with energy producers. Our team has managed and operated a substantial number of crude carriers and product tankers since 1970 and has been active in the LNG shipping sector since 2007. We intend to leverage the long standing and deep relationships we have built with national, major and super major energy producers both to maximize the employment of our fleet throughout the shipping cycle and to expand our presence in the LNG sector. We believe we are well positioned to support these energy companies as they execute their growth plans in oil, petroleum products and LNG.

Focus on the LNG Sector. We intend to expand our investment in LNG carriers since we believe that this sector of the shipping industry currently offers growth opportunities and attractive economic returns and plays to the strength of our long standing relationships with energy producers. With the growth in world energy requirements, there has been an increasing demand for LNG as a comparatively safe, efficient and environmentally clean source of energy. This growing demand has led to significant increases in LNG production, which we believe will drive significant increased demand for LNG transportation, including particularly LNG carriers.

Opportunistically expand and modernize our tanker fleet. We will actively explore opportunities to acquire from first class shipyards already constructed newbuildings and to purchase recently built tankers at the attractive prices that are currently prevailing. Since we did not contract to purchase newbuildings when tanker prices were high, this will enable us to modernize and renew our tanker fleet with first class tonnage on accretive terms and will position us to continue to meet the ever evolving needs of our clients.

Seek to expand and diversify our customer base. We intend to cultivate relationships with a number of major energy companies beyond our current customer base and explore relationships with other leading energy companies, with an aim to supporting their growth plans and capitalizing on attractive opportunities these plans may offer shipping companies. We believe our operational expertise and financial strength in combination with our reputation and track record in energy transportation, position us favorably to capture additional commercial opportunities in the energy sectors of the shipping industry.

Provide high-quality customer service that acts as a benchmark for the industry. We intend to adhere to the highest standards with regard to reliability, safety and operational excellence as we execute our growth plans. Maintaining the highest safety and technical standards will, we believe, give us greater commercial opportunities to service new and existing customers and to diversify into the LNG sector.

Continue to Manage Our Balance Sheet and Access to Capital. We believe that management of our balance sheet, including management of cash and capital commitments, will continue to give us financial flexibility. We believe that we have taken advantage of opportunities at attractive points of the tanker shipping cycle and that we are well-positioned to continue to do so.

Industry Overview

Crude oil prices remained relatively stable throughout 2011, despite a continued weak global economic outlook as well as supply disruptions. World oil supply increased 1.3% from 2010, with nearly 90% of the increase coming from OPEC. Supply was affected by disruptions to North Sea production, the loss of Libyan output, and rising Canadian and North Dakotan oil production. However, even as Libyan production waned and then resurged, Saudi Arabian production remained high, citing strong demand from Asian buyers. It is expected that demand from China will match, if not outpace, US demand in the near future. Overall, the weak global economy as well as supply disruptions, both limiting demand growth through uncertainty and higher prices, filtered through to imply a reduced increase in trade volumes in 2011.

2011 saw fleet growth for VLCC vessels, Suezmaxes and Aframaxes and MR products, while Panamaxes declined for the sixth year in a row. Following the increase in 2010, freight rates quickly reversed in 2011, with all three crude tanker sectors recording their lowest annual averages in the modern era, caused by a combination of the weak global economy, strong fleet growth, no support from floating storage, as well as geopolitical events.

Supply problems have continued into 2012, with Syrian production subject to EU and US sanctions, Yemeni supply at almost zero following strikes and political issues, North Sea production problems and Iraq underperforming on its promise of increased production. The largest wildcard remains Iran, with the EU passing sanctions against the country in January to begin in July. The current estimate for demand growth in 2012 is an increase of 0.9%, lowered from the forecasted increase made in August 2011.

For a more detailed discussion of oil and tanker industry dynamics, please see Item 5. Operating and Financial Review and Prospects-General Market Overview-World Oil Demand/Supply and Trade in our Annual Report on Form 20-F incorporated by reference herein from which this discussion is drawn and which has been provided by ICAP Shipping.

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Summary Consolidated Financial and Other Data

The following summary consolidated financial information and data were derived from our audited consolidated financial statements as of and for the years ended December 31, 2011, 2010, 2009, 2008 and 2007. The information is only a summary and should be read in conjunction with our historical consolidated financial statements and related notes and the section entitled Operating and Financial Review and Prospects incorporated by reference in this prospectus supplement.

(Dollars in thousands, except for share and per share amounts and fleet data)

	2007[11]	2008	2009	2010	2011
Income Statement Data					
Voyage revenues	$ 500,617	$ 623,040	$ 444,926	$ 408,006	$ 395,162
Expenses					
Commissions	17,976	22,997	16,086	13,837	14,290
Voyage expenses	72,075	83,065	77,224	85,813	127,156
Charter hire expense	15,330	13,487		1,905	
Vessel operating expenses[1]	108,356	143,757	144,586	126,022	129,884
Depreciation	81,567	85,462	94,279	92,889	101,050
Amortization of deferred dry-docking costs	3,217	5,281	7,243	4,553	4,878
Management fees	9,763	12,015	13,273	14,143	15,598
General and administrative expenses	4,382	4,626	4,069	3,627	4,292
Management incentive award	4,000	4,750		425	
Stock compensation expense	5,670	3,046	1,087	1,068	820
Foreign currency losses (gains)	691	915	730	(378)	458
Amortization of deferred gain on sale of vessels	(3,168)	(634)			
Net gain on sale of vessels	(68,944)	(34,565)	(5,122)	(19,670)	(5,001)
Vessel impairment charge			19,066	3,077	39,434
Operating income(loss)	249,702	278,838	72,405	80,695	(37,697)
Other expenses (income):					
Gain on sale of shares in subsidiary					
Interest and finance costs, net	77,382	82,897	45,877	62,283	53,571
Interest and investment income	(13,316)	(8,406)	(3,572)	(2,626)	(2,715)
Other, net	(924)	350	(75)	3	397
Total other expenses (income), net	63,142	74,841	42,230	59,660	51,253
Net income (loss)	186,560	203,997	30,175	21,035	(88,950)
Less: Net (income) loss attributable to non-controlling interest	(3,389)	(1,066)	(1,490)	(1,267)	546
Net incomes (loss) attributable to Tsakos Energy Navigation Ltd.	$ 183,171	$ 202,931	$ 28,685	$ 19,768	$ (89,496)
Per Share Data					
Earnings (loss) per share, basic	$ 4.81	$ 5.40	$ 0.78	$ 0.50	$ (1.94)
Earnings (loss) per share, diluted	$ 4.79	$ 5.33	$ 0.77	$ 0.50	$ (1.94)
Weighted average number of shares, basic	38,075,859	37,552,848	36,940,198	39,235,601	46,118,534
Weighted average number of shares, diluted	38,234,079	38,047,134	37,200,187	39,601,678	46,118,534
Dividends per common share, paid	$ 1.575	$ 1.80	$ 1.15	$ 0.60	$ 0.60
Cash Flow Data					
Net cash provided by operating activities	190,611	274,141	117,161	83,327	45,587
Net cash used in investing activities	(375,641)	(164,637)	(75,568)	(240,115)	(69,187)
Net cash provided by /(used in) financing activities	191,910	21,218	(57,581)	137,244	(77,329)
Balance Sheet Data					
Cash and cash equivalents	$ 181,447	$ 312,169	$ 296,181	$ 276,637	$ 175,708
Cash, restricted	6,889	7,581	6,818	6,291	5,984
Investments	1,000	1,000	1,000	1,000	1,000
Advances for vessels under construction	169,739	53,715	49,213	81,882	37,636
Vessels, net book value	1,900,183	2,155,489	2,009,965	2,235,065	2,194,359
Total assets	2,362,776	2,602,317	2,549,720	2,702,260	2,535,336
Long-term debt, including current portion	1,389,943	1,513,629	1,502,574	1,562,467	1,515,663
Total stockholders equity	857,931	915,115	914,327	1,019,930	919,158
Fleet Data					
Average number of vessels[2]	41.7	44.1	46.6	46.1	47.8
Number of vessels (at end of period)[2]	43.0	46.0	47.0	48.0	48.0

Average age of fleet (in years)(3)	5.6	6.1	6.8	6.8	7.0
Earnings capacity days(4)	15,213	16,143	17,021	16,836	17,431
Off-hire days(5)	523	431	390	400	502
Net earnings days(6)	14,690	15,712	16,631	16,436	16,929
Percentage utilization(7)	96.6%	97.3%	97.7%	97.6%	91.7%
Average TCE per vessel per day(8)	$ 29,421	$ 34,600	$ 22,329	$ 19,825	$ 16,047
Vessel operating expenses per ship per day(9)	$ 7,669	$ 9,450	$ 8,677	$ 7,647	$ 7,606
Vessel overhead burden per ship per day(10)	$ 1,565	$ 1,514	$ 1,083	$ 1,144	$ 1,188

(1) Vessel operating expenses are costs that vessel owners typically bear, including crew wages and expenses, vessel supplies and spares, insurance, tonnage tax, routine repairs and maintenance, quality and safety costs and other direct operating costs.
(2) Includes chartered vessels.
(3) The average age of our fleet is the age of each vessel in each year from its delivery from the builder, weighted by the vessel s deadweight tonnage (dwt) in proportion to the total dwt of the fleet for each respective year.
(4) Earnings capacity days are the total number of days in a given period that we own or control vessels.
(5) Off-hire days are days related to repairs, dry-dockings and special surveys, vessel upgrades and initial positioning after delivery of new vessels.
(6) Net earnings days are the total number of days in any given period that we own vessels less the total number of off-hire days for that period.
(7) Percentage utilization represents the percentage of earnings capacity days that the vessels were actually employed, i.e., earnings capacity days less off-hire days.
(8) The shipping industry uses time charter equivalent, or TCE, to calculate revenues per vessel in dollars per day for vessels on voyage charters. The industry does this because it does not commonly express charter rates for vessels on voyage charters in dollars per day. TCE allows vessel operators to compare the revenues of vessels that are on voyage charters with those on time charters. TCE is a non-GAAP measure. For vessels on voyage charters, we calculate TCE by taking revenues earned on the voyage and deducting the voyage costs and dividing by the actual number of voyage days. For vessels on bareboat charter, for which we do not incur either voyage or operation costs, we calculate TCE by taking revenues earned on the charter and adding a representative amount for vessel operating expenses. TCE differs from average daily revenue earned in that TCE is based on revenues before commissions and does not take into account off-hire days.

Derivation of time charter equivalent per day (amounts in thousands except for days and per day amounts):

	2007	2008	2009	2010	2011
Voyage revenues	$ 500,617	$ 623,040	$ 444,926	$ 408,006	$ 395,162
Less: Voyage expenses	(72,075)	(83,065)	(77,224)	(85,813)	(127,156)
Add: Representative operating expenses for bareboat charter ($10,000 daily)	3,650	3,660	3,650	3,650	3,650
Time charter equivalent revenues	432,192	543,635	371,352	325,843	271,656
Net earnings days	14,690	15,712	16,631	16,436	16,929
Average TCE per vessel per day	$ 29,421	$ 34,600	$ 22,329	$ 19,825	$ 16,047

(9) Vessel operating expenses per ship per day represents vessel operating expenses divided by the earnings capacity days of vessels incurring operating expenses. Earnings capacity days of vessels on bareboat or chartered-in have been excluded.
(10) Vessel overhead burden per ship per day is the total of management fees, management incentive awards, stock compensation expense and general and administrative expenses divided by the total number of earnings capacity days.
(11) The unaudited selected consolidated financial data for the year ended December 31, 2007, are derived from our audited consolidated financial statements not appearing in this Annual Report and has been recast to reflect the adoption of new accounting and reporting standards as defined in Accounting Standards Codification (ASC) 810 *Consolidation* issued by the Financial Accounting Standards Board (FASB) in December 2007 for ownership interests in subsidiaries held by parties other than the parent. As a result of the adoption of the new guidance effective January 1, 2009, Total stockholders equity for the year 2007 as shown above incorporates the non-controlling interest in two of our subsidiaries (formerly referred to as minority interest and shown separately from stockholders equity).

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The Offering

Issuer	Tsakos Energy Navigation Limited
Common shares offered by us	10,000,000 common shares. 11,500,000 common shares if the underwriters exercise their option to purchase additional shares in full.
	Entities affiliated with the Tsakos Holdings Foundation, our largest shareholder, will purchase 2,000,000 of the common shares sold in the offering at the public offering price.
Common shares to be outstanding following this offering	56,208,737 common shares assuming the underwriters do not exercise their option.
Use of proceeds	The net proceeds from the sale of our common shares in this offering, after deducting underwriting discounts and estimated expenses relating to the offering, will be $62.5 million, based on the offering price of $6.50 per share and assuming no exercise of the underwriters option to purchase additional shares. We plan to use the net proceeds from the sale of the common shares offered by this prospectus supplement for growth initiatives, including in LNG, working capital and other general corporate purposes. We do not currently plan to use the net proceeds from the sale of the common shares offered by this prospectus supplement for the repayment of indebtedness.
Dividends	We intend to pay regular quarterly cash dividends on our common shares. From October 2002, following the listing of our common shares on the NYSE, through April 2010, we paid 16 consecutive semi-annual dividends. Beginning with the payment of a dividend in July 2010, we began paying dividends on a quarterly basis and our board of directors has declared a dividend of $0.15 per share payable on May 25, 2012 to shareholders of record as of the close of business on May 21, 2012. Investors in this offering will receive this dividend if they continue to hold the shares purchased as of the close of business on the record date. In April of each year, our Board of Directors will give consideration to the declaration of a supplementary dividend. See Dividend Policy.
New York Stock Exchange symbol	TNP

Each common share includes one right that, under certain circumstances, will entitle the holder to purchase from us a unit consisting of one one-hundredth of a share of our Series A Junior Participating Preferred Shares, or a combination of securities and assets of equivalent value, at an exercise price of $127.00, subject to adjustment.

Risk Factors

You should carefully consider all information in this prospectus supplement, the accompanying prospectus, including the documents incorporated herein and therein by reference as set out in the section entitled Where You Can Find More Information and Incorporation of Certain Information by Reference, in this prospectus supplement. In particular, you should evaluate the information set forth in the section entitled Risk Factors for a discussion of risks relating to an investment in our common shares.

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RISK FACTORS

Any investment in our common shares involves a high degree of risk. You should consider carefully the following risk factors, as well as the other information contained in or incorporated by reference into this prospectus, before making an investment in our common shares. Any of the risk factors described below could significantly and negatively affect our business, financial condition or operating results. You may lose all or part of your investment.

Risks Related To Our Industry

The charter markets for crude oil carriers and product tankers have deteriorated significantly since the summer of 2008, which could affect our future revenues, earnings and profitability.

After reaching highs during the summer of 2008, charter rates for crude oil carriers and product tankers fell dramatically thereafter. While the rates occasionally improved during 2009 and 2010, generally they remained significantly below the levels that contributed to our increasing revenues and profitability through 2008. A further significant decline occurred during 2011 to low levels, and, apart from possible temporary seasonal or regional rate spikes, charter rates are likely to remain at historically low levels throughout much of 2012. This decline is primarily due to the net increase in the supply of vessels which is expected to peak in 2012. Other reasons for the decline from 2008 charter rates include the fall in demand for crude oil and petroleum products in the United States, although this has been offset to an extent by growing demand in the emerging economies, the consequent rising inventories of crude oil and petroleum products in the United States and in other industrialized nations and the corresponding reduction in oil refining.

As of March 31, 2012, thirteen of our vessels were employed under spot charters that are scheduled to expire by April 22, 2012, and 13 of our vessels were employed on time charters, which, if not extended, are scheduled to expire during the period between June 2012 and March 2016. In addition, 16 of our vessels have profit sharing provisions in their time charters that are based upon prevailing market rates and six of our vessels are employed in pool arrangements at variable rates. If the current low rates in the charter market continue for any significant period in 2012 it will affect the charter revenue we will receive from these vessels, which could have an adverse effect on our revenues, profitability and cash flows. The decline in charter rates also affects the value of our vessels, which follows the trends of charter rates and earnings on our charters.

Disruptions in world financial markets and the resulting governmental action in the United States and in other parts of the world and the sovereign debt crisis in Europe could have a further material adverse impact on our results of operations, financial condition and cash flows, and could cause the market price of our common stock to further decline.

The economic crisis that started in 2008 has affected the global economy and the shipping markets. Extraordinary steps that were taken by the governments of several leading economies to combat the financial crisis appear to have restrained the downturn; however, the long-term impact of these measures is not yet known and cannot be predicted. While there are positive indications that the global economy is improving, the sovereign debt crisis in Europe and poor liquidity of European banks and attempts to find appropriate solutions will lead to slow growth and possible recession in most of Europe in 2012. We cannot provide any assurance that the global recession will not return and tight credit markets will not continue or become more severe.

We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking, commodities and securities markets around the world, among other geopolitical factors. Major market disruptions and the current adverse changes in market conditions and regulatory climate in the United States and worldwide may adversely affect our business or impair our ability to borrow amounts under our credit facilities or any future financial arrangements. We cannot predict how long the current market conditions will last. However, these recent and developing economic, geopolitical and governmental factors, together with the

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concurrent decline in charter rates and vessel values, could have a material adverse effect on our results of operations, financial condition or cash flows. This has caused the price of our common shares on the New York Stock Exchange to decline and could cause the price of our common shares to decline further.

The tanker industry is highly dependent upon the crude oil and petroleum products industries.

The employment of our vessels is driven by the availability of and demand for crude oil and petroleum products, the availability of modern tanker capacity and the scrapping, conversion or loss of older vessels. Historically, the world oil and petroleum markets have been volatile and cyclical as a result of the many conditions and events that affect the supply, price, production and transport of oil, including:

- increases and decreases in the demand for crude oil and petroleum products;
- availability of crude oil and petroleum products;
- demand for crude oil and petroleum product substitutes, such as natural gas, coal, hydroelectric power and other alternate sources of energy that may, among other things, be affected by environmental regulation;
- actions taken by OPEC and major oil producers and refiners;
- political turmoil in or around oil producing nations;
- global and regional political and economic conditions;
- developments in international trade;
- international trade sanctions;
- environmental factors;
- natural catastrophes;
- terrorist acts;
- weather; and
- changes in seaborne and other transportation patterns.

The turbulence and uncertainty the world economies have encountered over the last three years has negatively affected the demand for crude oil and oil products which in turn has resulted in a decrease in freight rates and values. However, there has been some rebound in worldwide demand for oil and oil products, which industry observers forecast will continue. In the event that this rebound falters, the production of and demand for crude oil and petroleum products will again encounter pressure which could lead to a decrease in shipments of these products and consequently this would have an adverse impact on the employment of our vessels and the charter rates that they command. In particular, the charter rates that we earn from our vessels employed on spot charters, under pool arrangements and contracts of affreightment, and on time-charters with profit-share may remain at low levels for a prolonged period of time or further decline. In addition, overbuilding of tankers has, in the past, led to a decline in charter rates. If the supply of tanker capacity remains high and demand for tanker capacity does not increase proportionally, the charter rates paid for our vessels could also remain low or further decline. The resulting decline in revenues could have a material adverse effect on our revenues and profitability.

Charter hire rates are cyclical and volatile.

The crude oil and petroleum products shipping industry is cyclical with attendant volatility in charter hire rates and profitability. After reaching highs in mid-2008, charter hire rates for oil product carriers have remained poor with some short periods of relative respite. In addition, hire and spot rates for large crude carriers remained low since the middle of 2010, often resulting in rates well below break-even. The charter rates for 35 of our vessels are on variable basis or include a variable element and the time charters (whether fixed or partly variable)

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for 7 of our vessels may expire within six months if not extended. As a result, we will be exposed to changes in the charter rates which could affect our earnings and the value of our vessels at any given time. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Our operating results are subject to seasonal fluctuations.

Our tankers operate in markets that have historically exhibited seasonal variations in tanker demand, which may result in variability in our results of operations on a quarter-by-quarter basis. Tanker markets are typically stronger in the winter months as a result of increased oil consumption in the northern hemisphere, but weaker in the summer months as a result of lower oil consumption in the northern hemisphere and refinery maintenance. As a result, revenues generated by the tankers in our fleet have historically been weaker during the fiscal quarters ended June 30 and September 30. However, the expected seasonal strength of the fourth quarter of 2011 and first quarter of 2012 did not materialize to the extent required to return to sustainable profitable rates due to tanker overcapacity.

An increase in the supply of vessels without an increase in demand for such vessels could cause charter rates to decline, which could have a material adverse effect on our revenues and profitability.

Historically, the marine transportation industry has been cyclical. The profitability and asset values of companies in the industry have fluctuated based on certain factors, including changes in the supply and demand of vessels. The supply of vessels generally increases with deliveries of new vessels and decreases with the scrapping of older vessels and/or the removal of vessels from the competitive fleet either for storage purposes or for utilization in offshore projects. The newbuilding order book equaled approximately 17% of the existing world tanker fleet as of mid-March 2012 and no assurance can be given that the order book will not increase further in proportion to the existing fleet. If the number of new ships delivered exceeds the number of vessels being scrapped, capacity will increase. In addition, if dry-bulk vessels are converted to oil tankers, the supply of oil tankers will increase. If supply increases and demand does not match that increase, the charter rates for our vessels could decline significantly, as we have witnessed in the past eighteen months. In addition, any decline of trade on specific long-haul trade routes will effectively increase available capacity with a detrimental impact on rates. A decline in charter rates could have a material adverse effect on our revenues and profitability.

The global tanker industry is highly competitive.

We operate our fleet in a highly competitive market. Our competitors include owners of VLCCs, suezmax, aframax, panamax, handymax and handysize tankers. These competitors include other independent tanker companies, as well as national and independent oil companies, some of whom have greater financial strength and capital resources than we do. In addition, in the event of trade disruptions caused by hostilities in the Middle East, tanker companies that operate in Middle East trade routes may seek to employ their vessels in the trade routes that our vessels serve, which would further increase the level of competition that we face. Competition in the tanker industry is intense and depends on price, location, size, age, condition, and the acceptability of the available tankers and their operators to potential charterers.

Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business.

Since 2009, the frequency of pirate attacks on seagoing vessels has remained high, particularly in the western part of the Indian Ocean and off the west coast of Africa. If piracy attacks result in regions in which our vessels are deployed being characterized by insurers as war risk zones, as the Gulf of Aden has been, or Joint War Committee (JWC) war and strikes listed areas, premiums payable for such insurance coverage could increase significantly and such insurance coverage may be more difficult to obtain. Crew costs, including those due to employing onboard security guards, could increase in such circumstances. In addition, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this

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and withhold charter hire until the vessel is released. A charterer may also claim that a vessel seized by pirates was not on-hire for a certain number of days and it is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition, results of operations and cash flows.

Terrorist attacks, international hostilities and economic and trade sanctions can affect the tanker industry, which could adversely affect our business.

An attack like that of September 11, 2001, longer-lasting wars or international hostilities, such as in Afghanistan, Iraq and Libya, or continued turmoil and hostilities in the Middle East or North Africa could damage the world economy and adversely affect the availability of and demand for crude oil and petroleum products and negatively affect our investment and our customers investment decisions over an extended period of time. If the current threat by Iran to close the Straits of Hormuz becomes an actuality, it could result in similar consequences. In addition, sanctions against oil exporting countries such as Iran, Sudan and Syria may also impact the availability of crude oil which would increase the availability of tankers thereby impacting negatively charter rates. We conduct our vessel operations internationally and despite undertaking various security measures, our vessels may become subject to terrorist acts and other acts of hostility like piracy, either at port or at sea. Such actions could adversely impact our overall business, financial condition and operations. In addition, our financial viability may also be negatively affected by changing economic, political and governmental conditions in the countries and regions where our vessels are employed. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of local or international political instability, terrorist or other attacks, war or international hostilities.

Our vessels may call on ports located in countries that are subject to restrictions imposed by the U.S. government, which could negatively affect the trading price of our shares of common stock.

From time to time on charterers instructions, our vessels have called and may again call on ports located in countries subject to sanctions and embargoes imposed by the U.S. government, the UN or the EU and countries identified by the U.S. government, the UN or the EU as state sponsors of terrorism. The U.S., UN- and EU- sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the United States enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which expanded the scope of the Iran Sanctions Act (as amended, the ISA). Among other things, CISADA expands the application of the prohibitions to non-U.S. companies, such as our company, and introduces limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. On November 21, 2011, the President of the United States issued Executive Order 13590, which expands on the existing energy-related sanctions available under the ISA.

Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in our company. Additionally, some investors may decide to divest their interest, or not to invest, in our company simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our common stock may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest or governmental actions in these and surrounding countries.

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Taking advantage of attractive opportunities in pursuit of our growth strategy may result in financial or commercial difficulties.

Despite the economic downturn in the past three years, a key strategy of management is to continue to renew and grow the fleet by pursuing the acquisition of additional vessels or fleets or companies that are complementary to our existing operations, assuming the financial resources and debt capacity to do so remain available. The depressed charter market and credit crisis may present opportunities in the short to medium term to acquire new vessels or tanker companies or contracts to construct new vessels or even to undertake new construction contracts at prices more favorable than those seen in the recent past. If we seek to expand through acquisitions, we face numerous challenges, including:

- difficulties in raising the required capital;
- depletion of existing cash resources greater than anticipated;
- difficulties in the assimilation of acquired operations;
- diversion of management s attention from other business concerns;
- assumption of potentially unknown material liabilities or contingent liabilities of acquired companies;
- competition from other potential acquirers, some of which have greater financial resources; and
- potential loss of clients or key employees of acquired companies.

We cannot assure you that we will be able to integrate successfully the operations, personnel, services or vessels that we might acquire in the future, and our failure to do so could adversely affect our profitability.

We are subject to regulation and liability under environmental, health and safety laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operation of our vessels are subject to extensive international, national and local environmental and health and safety laws and regulations in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration. In addition, major oil companies chartering our vessels impose, from time to time, their own environmental and health and safety requirements. We have incurred significant expenses in order to comply with these regulations and requirements, including the costs of ship modifications and changes in operating procedures, additional maintenance and inspection requirements, contingency arrangements for potential spills, insurance coverage and full implementation of the new security-on-vessels requirements which came into effect on July 1, 2004.

In particular, certain international, national and local laws and regulations require, among other things, double hull construction for new tankers, as well as the retrofitting or phasing-out of single hull tankers based on each vessel s date of build, gross tonnage (a unit of measurement for the total enclosed spaces within a vessel) and/or hull configuration. We have sold all our vessels which were not double hull. All of the newbuildings we have contracted to purchase are double-hulled. However, because environmental regulations may become stricter, future regulations may limit our ability to do business, increase our operating costs and/or force the early retirement of our vessels, all of which could have a material adverse effect on our financial condition and results of operations.

International, national and local laws imposing liability for oil spills are also becoming increasingly stringent. Some impose joint, several, and in some cases, unlimited liability on owners, operators and charterers regardless of fault. We could be held liable as an owner, operator or charterer under these laws. In addition, under certain circumstances, we could also be held accountable under these laws for the acts or omissions of Tsakos Shipping, TCM or Tsakos Energy Management, companies that provide technical and commercial management services for our vessels and us, or others in the management or operation of our vessels. Although we currently maintain, and plan to continue to maintain, for each of our vessels pollution liability coverage in the amount of

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$1 billion per incident (the maximum amount available), liability for a catastrophic spill could exceed the insurance coverage we have available, and result in our having to liquidate assets to pay claims. In addition, we may be required to contribute to funds established by regulatory authorities for the compensation of oil pollution damage or provide financial assurances for oil spill liability to regulatory authorities.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspections and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of contents of our vessels, delays in the loading, offloading or delivery and the levying of customs, duties, fines and other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo impractical. Any such changes or developments may have a material adverse effect on our business, financial condition, results of operations and our ability to pay dividends and/or principal, premium, if any, and interest on the notes.

Maritime disasters and other operational risks may adversely impact our reputation, financial condition and results of operations.

The operation of ocean-going vessels has an inherent risk of maritime disaster, environmental mishaps, cargo and property losses or damage and business interruptions caused by, among others:

- mechanical failure;
- human error;
- labor strikes;
- adverse weather conditions;
- vessel off hire periods;
- regulatory delays; and
- political action, civil conflicts, terrorism and piracy in countries where vessel operations are conducted, vessels are registered or from which spare parts and provisions are sourced and purchased.

Any of these circumstances could adversely affect our operations, result in loss of revenues or increased costs and adversely affect our profitability and our ability to perform our charters. Terrorist acts and regional hostilities around the world in recent years have led to increases in our insurance premium rates and the implementation of special war risk premiums for certain trading routes. Natural disasters, such as the hurricanes striking the United States and earthquake in Chile, have led to yet further increases. Such increases in insurance rates adversely affect our profitability.

Our vessels could be arrested at the request of third parties.

Under general maritime law in many jurisdictions, crew members, tort claimants, vessel mortgagees, suppliers of goods and services and other claimants may lien a vessel for unsatisfied debts, claims or damages. In many jurisdictions a maritime lien holder may enforce its lien by arresting a vessel through court process. In some jurisdictions, under the extended sister ship theory of liability, a claimant may arrest not only the vessel with respect to which the claimant s maritime lien has arisen, but also any associated vessel under common ownership or control.

While in some jurisdictions which have adopted this doctrine, liability for damages is limited in scope and would only extend to a company and its ship-owning subsidiaries, we cannot assure you that liability for damages caused by some other vessel determined to be under common ownership or control with our vessels would not be asserted against us.

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Our vessels may be requisitioned by governments without adequate compensation.

A government could requisition or seize our vessels. Under requisition for title, a government takes control of a vessel and becomes its owner. Under requisition for hire, a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency. Although we would be entitled to compensation in the event of a requisition, the amount and timing of payment would be uncertain.

Risks Related To Our Business

We are not in compliance with certain financial covenants under our secured credit facilities.

The loan agreements we use to finance our ships require us not to exceed specified loan-to-asset value ratios. Our only significant assets are our ships, which are appraised each year. The appraised value of a ship fluctuates depending on a variety of factors including the age of the ship, its hull configuration, prevailing charter market conditions, supply and demand balance for ships and new and pending legislation.

Due to the decline in vessel values, we are not in compliance with certain financial covenants in our loans and credit facilities, mainly the loan-to-value ratios in certain of our loans and credit facilities and the leverage ratio required by one of our loans. Even though none of our lenders has declared an event of default under the loan agreements, the non-compliance constitutes defaults and potential events of default and, together with the cross default provisions in the various loan and credit facility agreements, could result in the lenders requiring immediate repayment of all of the loans and credit facilities, if not waived or cured.

As of December 31, 2011, we were not in compliance with the leverage ratio required by one of our loans relating to a subsidiary in which we have a 51% interest, under which the amount of $48.1 million was outstanding as of that date. We have agreed upon the terms of a waiver of this covenant covering the period from December 31, 2011 through December 31, 2012. We have also agreed to make a prepayment of $8.1 million on the loan against the balloon installment due in 2016 and to increases in the interest rate margin during the waiver period and the remaining term of the loan. As existing cash is deducted from both assets and liabilities to calculate this leverage ratio, apart from the generation of new cash from operations or equity input, only an increase of vessel value or alternative additional security (of up to $11.3 million, with no change in vessel value) would bring the leverage ratio down to 70% upon expiration of the waiver. There can be no assurance that we will regain compliance with the original covenant when the waiver expires or be able to obtain extension upon the expiration of such waiver.

As of December 31, 2011, we were not in compliance with the loan-to-value ratios contained in certain of our loan agreements and credit facilities under which a total of $621.0 million was outstanding, out of our total outstanding indebtedness of approximately $1.5 billion as of that date. No waiver of such non-compliance has been obtained. As a result of the aforementioned non-compliance, we may be required, upon request from our lenders, to prepay indebtedness or provide additional collateral to our lenders in the form of cash or other property in the total amount of $65.4 million in order to comply with these ratios. If we do not prepay indebtedness or provide additional collateral to our lenders within the period required by our respective loan agreements, we will be considered in default. There can be no assurance that we will obtain waivers for this non-compliance. Even though none of our lenders have requested prepayment or additional collateral, nor have any declared an event of default under the applicable loan agreements, if not remedied when requested, these non-compliances would constitute events of default and could result in the lenders requiring immediate repayment of the loans. We cannot guarantee that a further deterioration of our asset values will not result in defaults in the future, nor can we guarantee that we will be able to negotiate a waiver in the event of a default.

Furthermore, our loans contain cross-default provisions that may be triggered by a default under one of our other loans. A cross-default provision means that a default on one loan would result in a default on all of our other loans. Because of the presence of cross-default provisions in our credit facilities, the refusal of any one

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lender to grant or extend a waiver could result in all of our indebtedness being accelerated even if our other lenders have waived covenant defaults under the respective credit facilities. If our indebtedness is accelerated, it will be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels if our lenders foreclose their liens. In addition, if the value of our vessels deteriorates significantly from their currently depressed levels, we may have to record an impairment adjustment to our financial statements, which would adversely affect our financial results and further hinder our ability to raise capital.

We expect that the lenders will not demand payment of the loans before their maturity, provided that we pay loan installments and accumulated or accrued interest as they fall due under the existing credit facilities. We do not expect that cash on hand and cash generated from operations will be sufficient to repay our loans with cross-default provisions which aggregated approximately $1.5 billion as of December 31, 2011, if such debt is accelerated by the lenders. In such a scenario, we would have to seek to access the capital markets to fund the mandatory payments.

In addition, affiliates of Credit Suisse Securities (USA) LLC, one of the underwriters in this offering, have extended certain senior secured loans to us, and certain of these senior secured loans are currently not in compliance with the loan-to-value ratio covenants in such loans, which constitute defaults or potential events of default and, together with cross default provisions in various loan and credit facility agreements, could result in the lenders requiring immediate repayment of all such loans and credit facilities, if not waived or cured.

If we default under any of our loan agreements, we could forfeit our rights in our vessels and their charters.

All of our vessels and related collateral are individually pledged as security to the respective lenders under our loan agreements. Default under any of these loan agreements, if not waived or modified, would permit the lenders to foreclose on the mortgages over the vessels and the related collateral, and we could lose our rights in the vessels and their charters.

Charters at attractive rates may not be available when our current time charters expire.

In 2011, we derived approximately 51% of our revenues from time charters, as compared to 59% in 2010. As our current period charters on seven of our vessels expire in the remainder of 2012, it may not be possible to re-charter these vessels on a period basis at attractive rates given the currently depressed state of the charter market. If attractive period charter opportunities are not available, we would seek to charter our vessels on the spot market. Charter rates in the spot market are currently low and are subject to significant fluctuations, and tankers traded in the spot market may experience substantial off-hire time. In the event a vessel may not find employment at economically viable rates, management may opt to lay up the vessel until such time that rates become attractive again. During the period of lay up, the vessel will continue to incur expenditure such as insurance, reduced crew wages and maintenance costs.

If our exposure to the spot market increases, our revenues could suffer and our expenses could increase.

The spot market for crude oil and petroleum product tankers is highly competitive. As a result of any increased participation in the spot market, we may experience a lower overall utilization of our fleet through waiting time or ballast voyages, leading to a decline in operating revenue. Moreover, to the extent our vessels are employed in the spot market, both our revenue from vessels and our operating costs, specifically, our voyage expenses will be more significantly impacted by increases in the cost of bunkers (fuel). See Fuel prices may adversely affect our profits. Unlike time charters in which the charterer bears all of the bunker costs, in spot market voyages we bear the bunker charges as part of our voyage costs. As a result, while historical increases in bunker charges are factored into the prospective freight rates for spot market voyages periodically announced by WorldScale Association (London) Limited and similar organizations, increases in bunker charges in any given

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period could have a material adverse effect on our cash flow and results of operations for the period in which the increase occurs. In addition, to the extent we employ our vessels pursuant to contracts of affreightment or under pooling arrangements, the rates that we earn from the charterers under those contracts may be subject to reduction based on market conditions, which could lead to a decline in our operating revenue.

We depend on Tsakos Energy Management, Tsakos Shipping and TCM to manage our business.

We do not have the employee infrastructure to manage our operations and have no physical assets except our vessels and the newbuildings that we have under contract. We have engaged Tsakos Energy Management to perform all of our executive functions. Tsakos Energy Management directly provides us with financial, accounting and other back-office services, including acting as our liaison with the New York Stock Exchange and the Bermuda Stock Exchange. Tsakos Energy Management, in turn, oversees and subcontracts part of commercial management (including, treasury, chartering and vessel purchase and sale functions) to Tsakos Shipping, and day-to-day fleet technical management, such as vessel operations, repairs, supplies and crewing, to TCM, one of the world s largest independent tanker managers. As a result, we depend upon the continued services of Tsakos Energy Management and Tsakos Energy Management depends on the continued services of Tsakos Shipping and TCM.

We derive significant benefits from our relationship with the Tsakos Group, including purchasing discounts to which we otherwise would not have access. We would be materially adversely affected if either Tsakos Energy Management or Tsakos Shipping becomes unable or unwilling to continue providing services for our benefit at the level of quality they have provided such services in the past and at comparable costs as they have charged in the past. If we were required to employ a ship management company other than Tsakos Energy Management, we cannot offer any assurances that the terms of such management agreements and results of operations would be more beneficial to the Company in the long term.

If the TCM joint venture is unsuccessful, our business may be adversely affected.

In February 2010, Tsakos family interests and a private German company, the owner of Columbia Shipmanagement Ltd., formed a joint-venture ship management company. On July 1, 2010, the new entity, TCM, assumed the technical management for most of the vessels previously managed by Tsakos Shipping. All of our vessels, apart from the LNG carrier and the VLCC Millenium, are under the technical management of TCM. TCM has so far achieved significant savings in the purchase of supplies for our fleet, but there is no guarantee that it will continue to do so in the future.

Although the TCM staff is primarily comprised of former Tsakos Shipping employees, there is no guarantee that the quality of management services that is currently provided by TCM will be equal or better than what we received from Tsakos Shipping in the past.

Tsakos Energy Management, Tsakos Shipping and TCM are privately held companies and there is little or no publicly available information about them.

The ability of Tsakos Energy Management, Tsakos Shipping and TCM to continue providing services for our benefit will depend in part on their own financial strength. Circumstances beyond our control could impair their financial strength and, because each of these companies is privately held, it is unlikely that information about their financial strength would become public. As a result, an investor in our common shares might have little or no advance warning of problems affecting Tsakos Energy Management, Tsakos Shipping or TCM, even though these problems could have a material adverse effect on us.

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Tsakos Energy Management has the right to terminate its management agreement with us and Tsakos Shipping and TCM have the right to terminate their respective contracts with Tsakos Energy Management.

Tsakos Energy Management may terminate its management agreement with us at any time upon one year s notice. In addition, if even one director were to be elected to our board without having been recommended by our existing board, Tsakos Energy Management would have the right to terminate the management agreement on 10 days notice. If Tsakos Energy Management terminates the agreement for this reason, we would be obligated to pay Tsakos Energy Management the present discounted value of all payments that would have otherwise become due under the management agreement until June 30 in the tenth year following the date of the termination plus the average of the incentive awards previously paid to Tsakos Energy Management multiplied by 10. A termination as of December 31, 2011 would have resulted in a payment of approximately $135 million.

Tsakos Energy Management s contracts with Tsakos Shipping and with TCM may be terminated by either party upon six months notice and would terminate automatically upon termination of our management agreement with Tsakos Energy Management.

Our ability to pursue legal remedies against Tsakos Energy Management, Tsakos Shipping and TCM is very limited.

In the event Tsakos Energy Management breached its management agreement with us, we could bring a lawsuit against it. However, because we are not ourselves party to a contract with Tsakos Shipping or TCM, it may be difficult for us to sue Tsakos Shipping and TCM for breach of their obligations under their contracts with Tsakos Energy Management, and Tsakos Energy Management may have no incentive to sue Tsakos Shipping and TCM. Tsakos Energy Management is a company with no substantial assets and no income other than the income it derives under our management agreement. Therefore, it is unlikely that we would be able to obtain any meaningful recovery if we were to sue Tsakos Energy Management, Tsakos Shipping or TCM on contractual grounds.

Tsakos Shipping provides chartering services to other tankers and TCM manages other tankers and could experience conflicts of interests in performing obligations owed to us and the operators of the other tankers.

In addition to the vessels that it manages for us, TCM technically manages a fleet of privately owned vessels and seeks to acquire new third-party clients. These vessels are operated by the same group of TCM employees that manage our vessels, and we are advised that its employees manage these vessels on an ownership neutral basis; that is, without regard to who owns them. It is possible that Tsakos Shipping, which provides chartering service for nearly all vessels technically managed by TCM, might allocate charter or spot opportunities to other TCM managed vessels when our vessels are unemployed, or could allocate more lucrative opportunities to its other vessels. It is also possible that TCM could in the future agree to manage more tankers that directly compete with us.

Clients of Tsakos Shipping have acquired and may acquire further vessels that may compete with our fleet.

Tsakos Shipping and we have an arrangement whereby it affords us a right of first refusal on any opportunity to purchase a tanker which is 10 years of age or younger or contract to construct a tanker that is referred to or developed by Tsakos Shipping. Were we to decline any opportunity offered to us, or if we do not have the resources or desire to accept it, other clients of Tsakos Shipping might decide to accept the opportunity. In this context, Tsakos Shipping clients have in the past acquired modern tankers and have ordered the construction of vessels. They may acquire or order tankers in the future, which, if we decline to buy from them, could be entered into charters in competition with our vessels. These charters and future charters of tankers by Tsakos Shipping could result in conflicts of interest between their own interests and their obligations to us.

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Our chief executive officer has affiliations with Tsakos Energy Management, Tsakos Shipping and TCM which could create conflicts of interest.

Nikolas Tsakos is the president, chief executive officer and a director of our company and the director and sole shareholder of Tsakos Energy Management. Nikolas Tsakos is also the son of the founder of Tsakos Shipping. These responsibilities and relationships could create conflicts of interest that could result in our losing revenue or business opportunities or increase our expenses.

Our commercial arrangements with Tsakos Energy Management and Argosy may not always remain on a competitive basis.

We pay Tsakos Energy Management a management fee for its services pursuant to our management agreement. We also place our hull and machinery insurance, increased value insurance and loss of hire insurance through Argosy Insurance Company, Bermuda, a captive insurance company affiliated with Tsakos interests. We believe that the management fees that we pay Tsakos Energy Management compare favorably with management compensation and related costs reported by other publicly traded shipping companies and that our arrangements with Argosy are structured at arms-length market rates. Our board reviews publicly available data periodically in order to confirm this. However, we cannot assure you that the fees charged to us are or will continue to be as favorable to us as those we could negotiate with third parties and our board could determine to continue transacting business with Tsakos Energy Management and Argosy even if less expensive alternatives were available from third parties.

We depend on our key personnel.

Our future success depends particularly on the continued service of Nikolas Tsakos, our president and chief executive officer and the sole shareholder of Tsakos Energy Management. The loss of Mr. Tsakos s services or the services of any of our key personnel could have a material adverse effect on our business. We do not maintain key man life insurance on any of our executive officers.

Because the market value of our vessels may fluctuate significantly, we may incur impairment changes or losses when we sell vessels which may adversely affect our earnings.

The fair market value of tankers may increase or decrease depending on any of the following:

- general economic and market conditions affecting the tanker industry;
- supply and demand balance for ships within the tanker industry;
- competition from other shipping companies;
- types and sizes of vessels;
- other modes of transportation;
- cost of newbuildings;
- governmental or other regulations;
- prevailing level of charter rates; and

technological advances.

The global economic downturn that commenced in 2008 has resulted in a decrease in vessel values. The decrease in value accelerated during 2011 as a result of excess fleet capacity and falling freight rates. In addition, although we currently own a modern fleet, with an average age of 7.2 years as of March 31, 2012, as vessels grow older, they generally decline in value.

We have a policy of considering the disposal of tankers periodically and in particular after they reach 20 years of age. If we sell tankers at a time when tanker prices have fallen, the sale may be at less than the vessel s carrying value on our financial statements, with the result that we will incur a loss.

In addition, accounting pronouncements require that we periodically review long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment charge for an asset held for use should be recognized when the estimate of undiscounted cash flows, excluding interest charges, expected to be generated by the use of the asset is less than its carrying amount. Measurement of the impairment charge is based on the fair value of the asset as provided by third parties. In this respect, management regularly reviews the carrying amount of our vessels in connection with the estimated recoverable amount for each vessel. Such reviews may from time to time result in asset write-downs that could adversely affect our financial condition and results of operations. Such impairment charge was incurred in 2009 amounting to $19.1 million relating to the three oldest vessels of the fleet, *Hesnes*, *Victory III* and *Vergina II* and again in 2010, with a further impairment charge of $3.1 million on the value of the *Vergina II*. An impairment charge of $39.4 million was incurred in 2011 in relation to the VLCCs *La Prudencia* and *La Madrina* both approximately 20 years old following their classification as held for sale.

If TCM is unable to attract and retain skilled crew members, our reputation and ability to operate safely and efficiently may be harmed.

Our continued success depends in significant part on the continued services of the officers and seamen whom TCM provide to crew our vessels. The market for qualified, experienced officers and seamen is extremely competitive and has grown more so in recent periods as a result of the growth in world economies and other employment opportunities. Although TCM has a contract with a number of manning agencies and sponsors various marine academies in the Philippines, Greece and Russia, we cannot assure you that TCM will be successful in its efforts to recruit and retain properly skilled personnel at commercially reasonable salaries. Any failure to do so could adversely affect our ability to operate cost-effectively and our ability to increase the size of our fleet.

Labor interruptions could disrupt our operations.

Substantially all of the seafarers and land based employees of TCM are covered by industry-wide collective bargaining agreements that set basic standards. We cannot assure you that these agreements will prevent labor interruptions. In addition, some of our vessels operate under flags of convenience and may be vulnerable to unionization efforts by the International Transport Federation and other similar seafarer organizations which could be disruptive to our operations. Any labor interruption or unionization effort which is disruptive to our operations could harm our financial performance.

The contracts to purchase our newbuildings present certain economic and other risks.

As of March 31, 2012, we have contracts to construct two newbuildings that are scheduled for delivery during the first half of 2013 and are entering into a contract for the construction of an LNG carrier, with delivery in the first quarter of 2015, together with an option to construct one additional LNG carrier. We also have obtained options to acquire two suezmax tanker newbuildings, one with delivery in the second quarter of 2012 and one with delivery in the first quarter of 2013. If available, we may also order additional newbuildings. During the course of construction of a vessel, we are typically required to make progress payments. While we have refund guarantees from banks to cover defaults by the shipyards and our construction contracts would be saleable in the event of our payment default, we can still incur economic losses in the event that we or the shipyards are unable to perform our respective obligations. Ship