

# SEWARD & KISSEL LLP

Seward & Kissel advises Scorpio Tankers  
on its merger with Navig8 Product Tankers

Seward & Kissel's Business Transactions Group  
*Focusing on the Middle Market*

On September 1, 2017, **Scorpio Tankers Inc.** (“Scorpio”) (NYSE: STNG) completed its previously announced merger with **Navig8 Product Tankers Inc** (“NPTI”) (NOTC: EIGHT). **Seward & Kissel** was pleased to represent Scorpio in this transformative M&A transaction.

Monaco-based Scorpio provides marine transportation of petroleum products worldwide. As a result of its merger with NPTI, Scorpio became the largest owner of product tankers listed on a U.S. securities exchange, with a fully delivered fleet of 105 vessels. Based on the pre-announcement Scorpio share price, the stock-for-stock merger reflected a total enterprise value for NPTI of \$1.1 billion including the assumption of debt.

Seward & Kissel LLP ([www.sewkis.com](http://www.sewkis.com)) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel “advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping” and “also handles complex middle-market deals in the media industry and international sell-side M&A.”



Monaco

**has merged with**



London, England

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Seward & Kissel  
acted as counsel to Scorpio Tankers

SEWARD & KISSEL LLP

September 2017

The press release describing this transaction is reproduced below for your information.

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## **Scorpio Tankers Inc. Announces Merger Agreement with Navig8 Product Tankers Inc. and the Launch of a Concurrent Public Offering of Common Shares**

**MONACO, May 23, 2017 (GLOBE NEWSWIRE)** -- Scorpio Tankers Inc. (NYSE:STNG) (“Scorpio”) announced today that it has entered into definitive agreements to merge with Navig8 Product Tankers Inc. (NOTC: EIGHT) (“Navig8”) and acquire Navig8’s 27 operating product tankers (the “Merger”). Subject to the terms and conditions of these agreements, Scorpio will acquire four LR1 tankers prior to the closing of the Merger (the “LR1 Vessel Acquisitions”) and the remaining 23 tankers upon the closing of the Merger in exchange for the issuance of 55 million shares of Scorpio common stock to the Navig8 shareholders. In connection with the LR1 Vessel Acquisitions, Scorpio will pay cash consideration of \$42.2 million, which is net of assumed debt. This cash is expected to remain with Navig8 through closing and will form part of the balance sheet of the combined company, subject to the terms and conditions of the merger agreement.

Scorpio also announced today the launch of an underwritten public offering of up to \$200.0 million of its shares of common stock (the “Offering”). Morgan Stanley is acting as sole book-running manager in the Offering. ABN AMRO, Clarksons Platou Securities AS, Evercore ISI, Pareto Securities, and Seaport Global Securities are acting as co-managers. Scorpio also intends to grant the underwriters a 30-day option to purchase up to \$30.0 million additional shares of its common stock. Scorpio Services Holding Limited, a related party of Scorpio, has indicated an interest in purchasing at least \$20.0 million of Scorpio common stock in the Offering. The net proceeds of the Offering are expected to be used to provide cash to further strengthen Scorpio’s balance sheet and enhance liquidity, for the payment of costs related to the Merger, to fund the purchase price of the LR1 Vessel Acquisitions, and the remainder, if any, for general corporate purposes.

### **Merger Overview**

Through the Merger, Scorpio is acquiring an operating fleet of 27 eco-design product tankers, comprised of 15 LR2s and 12 LR1s with a weighted average age of 0.9 years and an aggregate carrying capacity of approximately 2.6 million dwt. Following the completion of the Merger, on a fully delivered basis, Scorpio’s operating fleet will consist of 105 owned or finance leased tankers (38 LR2 tankers, 12 LR1 tankers, 41 MR tankers and 14 Handymax tankers) with a weighted average age of approximately 1.9 years, and 19 time or bareboat chartered-in tankers (one LR2 tanker, nine MR tankers and nine Handymax tankers). In addition, as of the date hereof, Scorpio has contracts for the construction of six newbuilding MR product tankers, which Scorpio refers to as its Newbuilding Program. The vessels in Scorpio’s Newbuilding Program are expected to be delivered to them throughout the remainder of 2017 and first quarter of 2018. Scorpio has also entered into an agreement to sell two MR product tankers, which is expected to close in June 2017.

Certain Navig8 shareholders have agreed to vote their Navig8 shares in favor of the Merger, subject to certain exceptions. These shareholders constitute a majority of Navig8's outstanding common shares and, accordingly, it is expected that the Merger will be approved. In addition, Scorpio will appoint one additional independent director that will be selected by Scorpio's board of directors and to be effective at the closing of the Merger.

### **Benefits of the Merger, Upon Completion**

- Scorpio will be the largest owner of product tankers listed on a U.S. securities exchange, with a fully delivered fleet of 105 vessels (38 LR2 tankers, 12 LR1 tankers, 41 MR tankers, and 14 Handymax tankers) with a weighted average age of approximately 1.9 years, and 19 time or bareboat chartered-in tankers (one LR2 tanker, nine MR tankers and nine Handymax tankers).
- The size of the combined company provides it with substantial economies of scale.
- Significant presence across adjacent product tanker segments will provide for enhanced customer relationships and increased vessel utilization.
- Commercial and operating costs will benefit from scale efficiencies.
- The availability, terms, and quality of financing will provide significant advantages compared to its peers.
- Going forward, the combined company's capitalization, quality fleet, and the commercial and technical platform of its manager make it well-positioned to capitalize on further consolidation opportunities.

The Merger has been unanimously approved by the board of directors of Scorpio and, based upon the recommendation of a transaction committee of disinterested directors, unanimously approved by the board of directors of Navig8. The transaction committee negotiated the Merger on behalf of Navig8.

Based on Scorpio's closing price on May 22, 2017, the consideration reflects a total equity value for Navig8 of approximately \$228.8 million and a total enterprise value of approximately \$1.1 billion, including the assumption of debt.

The completion of the Merger, including the LR1 Vessel Acquisitions, is subject to the completion of the Offering and certain customary conditions, including without limitation, approval of the Merger by holders of a majority of the outstanding shares of common stock of Navig8 (excluding the LR1 Vessel Acquisitions), clearance by the U.S. Securities and Exchange Commission (the "SEC") of a registration statement to be filed by Scorpio to register the shares of common stock of Scorpio to be issued in the Merger (the "New Registration Statement"), and the listing of such shares on the New York Stock Exchange. The Merger is expected to close in the second or third quarter of 2017.

Seward & Kissel LLP is serving as legal counsel to Scorpio in connection with the Merger and Wachtell, Lipton, Rosen & Katz is serving as legal counsel to the transaction committee of

Navig8. Perella Weinberg Partners LP is serving as financial advisor to Scorpio's board of directors and PJT Partners LP is serving as financial advisor to Navig8. Seward & Kissel LLP is also serving as legal counsel to Scorpio in connection with the Offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction. This Offering is being made only by means of a prospectus supplement and accompanying base prospectus. A prospectus supplement related to the Offering will be filed with SEC and will be available on the SEC's website located at [www.sec.gov](http://www.sec.gov). When available, copies of the prospectus supplement and the accompanying base prospectus relating to this Offering may be obtained from Morgan Stanley, Attn: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014.

For further information about the Merger, please refer to the New Registration Statement to be filed by Scorpio with the SEC.

### **About Scorpio Tankers Inc.**

Scorpio is a provider of marine transportation of petroleum products worldwide. Scorpio currently owns 78 product tankers (23 LR2, 41 MR tankers and 14 Handymax tankers) with an average age of 2.4 years and time or bareboat charters-in 19 product tankers (one LR2, nine MR and nine Handymax tankers). Scorpio also has contracted for six newbuilding MR product tankers which are expected to be delivered throughout the remainder of 2017 and the first quarter of 2018. Scorpio has also entered into an agreement to sell two MR product tankers, which is expected to close in June 2017. Additional information about Scorpio is available at Scorpio's website [www.scorpiotankers.com](http://www.scorpiotankers.com), which is not a part of this press release.

### **About Navig8 Product Tankers Inc.**

Navig8 is a Marshall Islands corporation formed for the purpose of acquiring and operating LR1 and LR2 tankers with fuel-efficient specifications and carrying capacities between 74,000 dwt and 113,000 dwt in the international product tanker market. Navig8 currently has a fleet of 27 eco-design product tankers (15 LR2 and 12 LR1 tankers). These vessels were financed through bank debt, sale leaseback transactions and cash on hand. All of Navig8's vessels are operated in pools managed by the Navig8 Group.

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### **About Seward & Kissel LLP**

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for middle-market, cross-border M&A transactions and for its representation of transportation companies (particularly in the shipping industry), major commercial banks, investment banking firms, investment advisers and related investment

funds (including mutual funds, private equity funds and hedge funds), hedge fund administrators, broker-dealers and institutional investors.

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